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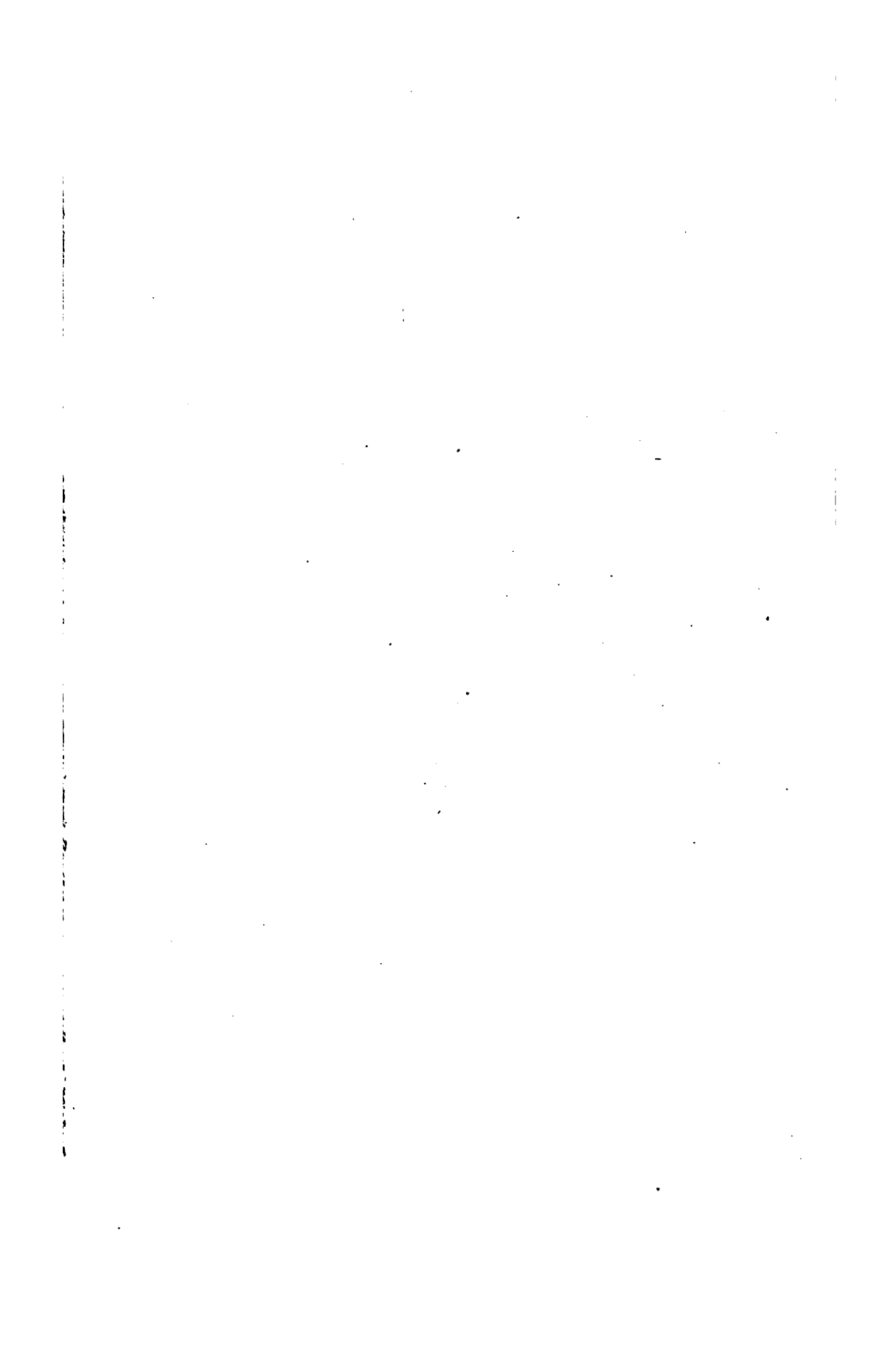
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# HEARINGS

ON

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## HOUSE JOINT RESOLUTION 230

AUTHORIZING THE APPOINTMENT OF A COMMITTEE TO  
INVESTIGATE CERTAIN FOREIGN SHIPPING RINGS,  
POOLS, COMBINATIONS, AND CONFERENCES, AND  
OTHER MATTERS CONNECTED THEREWITH

278  
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U. S. House of Representatives

HEARINGS HELD BEFORE THE COMMITTEE  
ON RULES, HOUSE OF REPRESENTATIVES  
UNITED STATES, JANUARY 17, 1911

### COMMITTEE ON RULES

JOHN DALZELL, *Chairman*  
WALTER I. SMITH  
HENRY S. BOUTELL  
GEORGE P. LAWRENCE  
J. SLOAT FASSETT

SYLVESTER C. SMITH  
CHAMP CLARK  
OSCAR W. UNDERWOOD  
LINCOLN DIXON  
JOHN J. FITZGERALD

HOWARD N. SHALLENBERGER, *Clerk*

WASHINGTON

GOVERNMENT PRINTING OFFICE

1911





Mar. 4, 1911.  
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APPOINTMENT OF COMMITTEE TO INVESTIGATE CERTAIN FOREIGN  
SHIPPING RINGS, COMBINATIONS, ETC.

COMMITTEE ON RULES,  
HOUSE OF REPRESENTATIVES,  
*Washington, D. C., Tuesday, January 17, 1911.*

The committee met this day at 11.15 o'clock a. m., Hon. John Dalzell (chairman) presiding.

The CHAIRMAN. The committee will be in order.

HOUSE JOINT RESOLUTION 230.

The CHAIRMAN. Now, Mr. Humphrey, we will hear you on House joint resolution 230.

[H. J. Res. 230. Sixty-first Congress, second session.]

JOINT RESOLUTION Authorizing the appointment of a committee to investigate certain foreign shipping rings, pools, combinations, and conferences, and other matters connected therewith.

Whereas ninety-four per centum of the entire exports and imports of the United States are now carried in foreign ships, under the flags of foreign nations who are our rivals in trade and possible enemies in war; and

Whereas all, or practically all, of these foreign ships belong to conferences, pools, or other combinations whereby freight rates are fixed by mutual agreement, so that our entire commerce is carried in ships between which there is no competition; and

Whereas these foreign ships give rebates and other special privileges and pool their earnings; and

Whereas these foreign ships carrying our trade form a complete monopoly and have entered into written agreements among themselves to drive out or destroy any line that attempts to compete with them; and

Whereas these foreign ships always discriminate against the products of this country in favor of the products of the country whose flag they fly; and

Whereas the service given by these foreign ships between this country and most foreign ports, especially between this country and South America, is grossly inadequate and grossly discriminatory against this country in favor of foreign countries; and

Whereas these foreign ships give special rates and other preferences to certain of the great trusts and combines of this country, and especially to what is known as the Steel Trust, to the Standard Oil Company, and to the Harvester combine; and

Whereas these foreign ships dictate freight rates from and to interior points in the United States to and from different ports of the world, and also dictate the ports of the United States through which said freights shall be transported; and

Whereas Japanese ships on the Pacific Ocean have an agreement with the trans-continental railway lines of this country running to Pacific ports whereby these ships dictate the freight rates on our imports and exports passing through the Pacific ports of the United States, both on land and on sea; and

Whereas most of these foreign steamship lines have agents and representatives in this country and have in this country large interests, consisting of terminals and other valuable property; and

Whereas most of these foreign ship lines are receiving subsidies or other aid from the countries to which they belong and are owned or largely controlled by such countries, and form a part of the naval auxiliary of such countries; and

Whereas the methods and practices of the conferences, pools, and combinations formed by these foreign ships are matters of common knowledge in other countries, but general publicity of their methods and practices has never been made in the United States; and

Whereas the practices and methods of these foreign ships, government aided and controlled, is a violation of our laws and of our commercial treaties, and injurious to our commerce in times of peace and a menace to our safety in time of war: Therefore be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That a special committee of twelve members be appointed, five of whom shall be designated by the President of the Senate from the Members of that body, and seven of whom shall be designated by the Speaker of the House of Representatives from the Members of that body, which committee is hereby empowered and directed to make a complete and thorough investigation of the methods and practices of the various lines of ships, both of the United States and of foreign countries, engaged in carrying our over-sea or foreign commerce, and especially as to the methods and practices by these lines of forming conferences, pools, or other combinations and agreements for the purpose of giving rebates, special rates, or other special privileges or preferences, and for the purposes of pooling and dividing their earnings, for the purpose of fixing freight and passenger rates, and for the purpose of preventing and destroying competition; also to investigate as to what method, if any, is used by such foreign shipping lines, combinations, and conferences to prevent the publication of their methods and practices in the United States.

And said committee shall further report whether the conduct or methods or practices of said foreign steamship lines are in contravention of our commercial treaties, and whether such methods and practices are not in violation of our laws, and what effect said methods and practices have had on the commerce of the United States.

And said committee shall report to Congress what legislation, if any, it deems advisable should be passed in relation to the matters herein set forth.

Said committee is hereby empowered to sit and act during the recess of Congress and during the session of either or both Houses of Congress, and to require the attendance of witnesses and the production of books, papers, and other documents, by subpoena, or otherwise; to swear such witnesses and to take their testimony under oath, orally or in writing; to obtain documents, papers, and other information from the several departments of the Government or any bureau thereof.

Said committee is hereby authorized to employ such secretaries, experts, stenographers, messengers, and other assistants as shall be necessary to carry out the purposes for which said committee was appointed—all such employees to be paid such compensation as the said committee may deem just and reasonable, upon a certificate to be issued by the chairman of the committee.

For the purpose of its investigations, said committee is hereby authorized to pay the traveling expenses of persons summoned before it for the giving of information on matters pertaining to the subject under consideration.

The members of said committee, or any subcommittee or subcommittees thereof, may make investigations of the questions involved in the United States and elsewhere, and shall be allowed actual and necessary expenses for the same and the expenses of necessary employees.

Any vacancy on said committee shall be filled in the same manner as the original appointment.

And in case of disobedience to a subpoena this committee may invoke the aid of the court of appeals of the District of Columbia, or any of the circuit courts of the United States within the jurisdiction of which any inquiry may be carried on by said committee, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents under the provisions of this resolution. And the court of appeals of the District of Columbia, or any of the circuit courts of the United States within the jurisdiction of which the

inquiry under this resolution is being carried on, may, in case of contumacy or refusal to obey a subpoena issued to any person under authority of this resolution, issue an order requiring such person to appear before said committee and produce books and papers, if so ordered, and give evidence touching the matter in question, and any failure to obey such order of the court may be punished by such court as a contempt thereof. The claim that any such testimony or evidence may tend to criminate the person giving such evidence shall not excuse such witness from testifying, but such evidence or testimony shall not be used against such person on the trial of any criminal proceeding.

The costs and expenses of said committee shall be paid five-twelfths from the contingent fund of the Senate and seven-twelfths from the contingent fund of the House of Representatives. Said expenses shall be paid out on the audit and order of the chairman or acting chairman of said committee.

**STATEMENT OF HON. WILLIAM E. HUMPHREY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON.**

Mr. HUMPHREY of Washington. Mr. Chairman, this is a resolution that I introduced at the last session of Congress, calling for an investigation of the methods practiced by the owners of foreign ships that carry our commerce.

Now, I might say in a general statement that, excluding only the vessels that run on short distances between this country and the countries on the Caribbean Sea and to Cuba, all the vessels engaged in the foreign trade of this country on both the Atlantic and Pacific Oceans are in these conferences; I do not believe there is any exception, unless it be an occasional tramp vessel.

I was prompted to introduce this resolution by my consultations with the Department of Justice. They started to investigate this question last year, about the time I made my speech in the House in regard to these shipping rings, and the department recently, as you know, within the last few days, has brought a suit against these combines for their operations in regard to the passenger traffic, especially in regard to the steerage-passenger traffic. But the conditions that are alleged to exist by the department in regard to the steerage-passenger traffic exist also in regard to the freight traffic, and the Department of Justice is anxious that some investigation be made to help them get at the facts. The Attorney General told me that he felt that a commission of this kind could uncover a great deal that he was unable to reach. The Secretary of Commerce and Labor has frequently talked to be about this subject and has expressed a desire that something be done. The President has talked with me frequently about it and expressed his anxiety that something should be done.

Mr. FASSETT. These recitals here recite as actual facts allegations as to certain conditions that the committee would have to commit itself upon if it reported the resolution in its present shape.

Mr. HUMPHREY of Washington. The object of that was to state the conditions, so as to give some of the reasons for its introduction.

Mr. FASSETT. That could be stated in the form "as alleged."

Mr. HUMPHREY of Washington. Yes. These resolutions state the conditions practically that exist. I could have brought here, and I intended to bring here, one gentleman from Philadelphia, Mr. Pearson, who was one of the attorneys who represented Peter Wright & Sons at the time they brought a suit against this combine. I could have brought him here and let him tell about the conditions he found

at first-hand when he went to Germany to investigate. His name is Mr. Ward Pearson, and I have his address, but I did not think it was hardly necessary to send for him, because in this bill that has been filed by the United States circuit court of New York they set out a copy of the printed agreement signed by these parties, in which everything that has been charged against them is actually shown to exist. Mr. Pearson found that the conditions alleged in the suits actually existed.

The CHAIRMAN. Have you the petition here?

Mr. HUMPHREY of Washington. Yes; and a copy of the agreement is printed with it.

The CHAIRMAN. We ought to have that here.

Mr. HUMPHREY of Washington. Yes. I will file it. These combines dictate through what ports the traffic shall come, and the percentage of it for each port. They say how much each line shall carry, and the percentage; they pool their earnings and divide the profits. Each line in the combine deposits \$5,000, which may be taken as a fine if they fail at any time to carry out their agreement.

Mr. FASSETT. This applies to freight as well as to passengers?

Mr. HUMPHREY of Washington. Yes. This particular contract I am speaking of is in regard to passengers, but they have other agreements as to freights.

The CHAIRMAN. Is that alleged in regard to the companies involved in this suit?

Mr. HUMPHREY of Washington. Yes; I think so.

Mr. FASSETT. In other words, as I understand Mr. Humphrey's proposition to be, these foreigners are engaged in continuous violation of the provisions of the Sherman antitrust act in regard to commerce?

Mr. HUMPHREY of Washington. Yes. This contract shows, and this petition alleges, that they also combine to drive out any competitor; that if any line starts out to run in competition with them they designate a certain number of "fighting ships," as they call them, competing ships, and they will cut the rate to any amount necessary to drive a new line out of business, and then, after they have driven it out, they meet and divide up the loss. The Uranium Line is one of the lines that is making the fight. The Russian-American Line was driven out of business. Peter Wright & Sons were driven out of business and forced to quit.

Now, there is one other thing further that all these combinations do that perhaps comes a little nearer home than any I have stated. All these combinations give rebates and special privileges to preferred shippers, not only in bringing goods into this country, but also in taking them out. They give special rates to the Standard Oil Co. and to the Harvester Combine and to the Steel Trust. Those are the three that appear most frequently favored.

Mr. FASSETT. The Standard Oil Co. own their own line, do they not?

The CHAIRMAN. You mean special rates for the carriage of products abroad?

Mr. HUMPHREY of Washington. Yes, sir.

The CHAIRMAN. You are not referring to interstate carriage at all?

Mr. HUMPHREY of Washington. No, not at this point; but I will cover that when I go a step further.

The CHAIRMAN. I know as a fact that glass can be shipped from Charleroi to Chicago at a less rate than from Pittsburg to Chicago.

Mr. HUMPHREY of Washington. The statement you make is correct. To-day you can send a case of beer from Germany to Salt Lake City cheaper than from Cincinnati to Salt Lake City, although it may be sent over the same railroad. You can send a carload of crockery to-day from Belgium or France to Denver, Colo., cheaper than from Youngstown, Ohio, to Denver.

Mr. FASSETT. The name is true as to fuller's earth. You can send it from Texas to the West cheaper than from New York or New Jersey to the West.

Mr. HUMPHREY of Washington. I am satisfied that is one of the facts that would be developed by this investigation.

Now, I have in my possession a letter which I took home with me last summer. I got it just before Congress adjourned, but I could not put my hand on it when I hunted for it this morning. But I have it in my possession, written by a railroad agent up in Michigan, in which he says that he has been notified by the railroad that unless he sells tickets to Europe over one of the conference lines he will not get his commission. Now, that condition exists no doubt on all the railroads of this country. If you want to buy a ticket to Europe to-day from some interior point, the railroad sells you that ticket over one of these conference lines.

Here is something about Standard Oil and their rebates, and I want to call your attention to a letter I received a few days ago. It is one of many that I have been receiving of this kind. It is from S. E. Heymann & Co., of No. 2 and 4 Stone Street, New York. I will just read a little of it:

From a recent publication we note that you are interested in curbing the so-called foreign ship trust, against which the Government has brought suit, and in this connection we deem it well to call your attention to the flagrant discrimination in favor of the Standard Oil Co. in freight rates on oils, which has recently been the subject of some correspondence between us and the National Petroleum News of Cleveland, who represent the independent oil refiners, and for your information we take the liberty of inclosing copies thereof.

Now, they inclosed copies of that correspondence. I see in reading it through that some of the gentlemen who sign it ask that their names be not used, so that I do not feel at liberty, in view of that statement, to let those letters be printed in the record, although I will leave them with the committee. The letter continues:

We are exporters of oil and need scarcely say that we are much interested in being on the same footing as to freight rates by the outbound common carriers as our overgrown competitor. If legislation can provide a remedy, we shall be glad to learn of it.

Now, in the next letter these same people, in writing to the National Petroleum News, of Cleveland, Ohio, under date of January 7, say:

The Standard Oil Co. has long had practically a complete monopoly of oils, especially lubricating oils, to the Australian and South African markets, due to special freight rates that they receive from the outgoing steamship lines. The open freight rates to South Africa on lubricating oils are 40 shillings per ton, and it is probable that the Standard Oil Co. do not pay more than 1 pound 2 shillings of this rate.

Recently the steamship companies running to Brazilian ports, comprising three English companies, controlled in London, have combined and raised the freight rate from \$1.80 to \$3 a barrel to the general public, but of course the Standard Oil Co. probably pay the old rate or less.

Can any laws governing the foreign steamships that have the benefits of our ports reach these combinations and correct discriminations which must ultimately lead to a practical monopoly of this business?

Now, I want to call your attention to another letter that I received just the other day in regard to another commodity, not oil. This is from Arbuckle Bros., Old Slip and Water Streets, New York, January 11, 1911:

We find in our morning newspapers the text of your bill "to protect American trade and American shipping from foreign monopolies." The bill touches a subject of direct interest to us, and we feel like congratulating you upon having hit on a remedy that promises to possess most effective curative and preventive properties for the treatment of a striking and vicious form of monopoly. Our most direct interest in transportation is that between the United States and Brazil. All but one of the lines operating between these countries have openly formed a combination and entered into written rebate agreements with prominent shippers, and are refusing all our tenders of cargo because we declined not to give any of our business to the independent line. This state of affairs became so intolerable that we recently lodged a complaint with the Department of Justice, whose files no doubt will be open to you should you desire further particulars.

We earnestly hope that your measure will receive favorable consideration in both Houses of Congress.

Now, I want also to read on that point what I set out directly in a speech, of which I will leave a copy with the committee if they desire; a copy of a recent agreement signed in 1909 between these lines running to South America and certain shippers in New York, and here is the first section:

1. That subject to the conditions hereinafter expressed the lines will pay a rebate of 10 per cent on the freight on coffee shipped from Rio de Janeiro and Victoria by their respective steamers to the ports of Antwerp, Amsterdam, Rotterdam, Copenhagen, and the rivers Weser and Elbe, and to ports in the United States of America, during the year beginning 1st September, 1909, and ending 31st August, 1910, and thereafter year by year until further notice.

And here is what they have to do in order to get this rebate. This is a recent copy of one of these rebate contracts:

We hereby declare that during the period named above we have not been interested, directly or indirectly, either as principals or agents, in other shipments of coffee from Rio Janeiro or Victoria to the ports of Antwerp, Amsterdam, Rotterdam, Copenhagen, and the rivers Weser and Elbe, or to ports in the United States of America, by any steamers other than those of The Royal Mail Steam Packet Co., The Hamburg Sudamerikanische Dampfschiffahrts Gesellschaft, the Hamburg-Amerika Line, the Norddeutscher Lloyd, Messrs. Lamport & Holt, or the Prince Line (Ltd.).

That is the statement they have to make in order to get their rebates.

I call the committee's attention to the fact that less than a year ago one of these coffee firms testified to the committee known as the Steenerson Investigation Committee that \$28,000 was either due or had just been paid to his company; so that in summing up the matter I can say briefly, gentlemen, that here is a condition existing where at least 90 per cent of the foreign commerce of this country is carried by ships, in conferences between which there is not the slightest competition. The head of the combination is in Germany, and there they meet and fix in advance the freight rates and passenger rates be-

tween the United States and Europe and South America for every passenger and every pound of freight. And not only that, but they reach out to the interior ports of this country and say to a man at Denver, for instance, "You must send your freight through Boston," or Philadelphia, or Baltimore, as the case may be. They tell him where he shall send it. And the railroads also, in selling their tickets, tell the passenger which ship he must take to go abroad, otherwise they will not sell the ticket to him. Now, here is a situation in regard to commerce which I think demands instant attention.

Mr. FASSETT. You state that these agreements between the American railroads and the foreign steamship lines in regard to the railroad freight and passenger rates in continuation of steamboat rates is in violation of the provisions of the Sherman Antitrust Act?

Mr. HUMPHREY of Washington. Yes. It is hard to get the absolute proof in regard to the railroads.

Now, there is one other view of this situation that I want to call your attention to, where it seems to me that it calls for investigation. This is one side of the question that I do not think has ever been exploited. Take a great many of these vessels that are running into our ports: They are receiving a direct mail subsidy, many of them, from their governments. They are part of the naval auxiliary and reserve of their respective countries, and they are openly violating the laws of this country that we have passed in regard to combinations. They are entering into combinations with our railroads in restraint of trade, and are giving special rebates to favored shippers.

Now, in the case of vessels of that kind, there should be an investigation as to whether they are not violating the treaties of this country that we have with the countries they represent. Those are questions that we ought to investigate, and we ought to have a committee to do it in a proper way. One thing is sure, that we are wasting largely our time in regard to passing laws to prohibit the restraint of trade in this country if we are going to permit these things to continue.

Now, I might cite one illustration. Take the case in regard to the discrimination in favor of the Steel Trust. A gentleman who resides in Pennsylvania and who represents one of the independent bridge companies of this country told me they were utterly unable to bid in competition with the Steel Trust on any foreign business on account of this discrimination. And this is true in the case of the Standard Oil and the Harvester combine. I do not think this committee should hesitate to report this resolution. I prepared the preamble in order to set forth some of the facts so as to attract the attention of people interested.

Mr. FASSETT. Why didn't this go to the Committee on the Merchant Marine?

Mr. HUMPHREY of Washington. Well, I do not know. If it had gone there it would have been reported some time ago. Last session it was introduced just before the adjournment, and the President, with whom I talked about it, told me that it ought to be a joint committee, and Senator Lodge thought the same. I then did not attempt to get a committee report, because I knew we could not get it through before Congress adjourned.

Mr. UNDERWOOD. You mean a joint commission or a joint committee?



Mr. FASSETT. A joint committee, five Senators and seven Representatives.

Mr. HUMPHREY of Washington. The Department of Commerce and Labor and the Department of Justice both think this resolution ought to be passed.

Mr. FASSETT. They can not secure what they desire through the Federal grand jury?

Mr. HUMPHREY of Washington. No, sir.

Now, this evidence in regard to shipping rings is shown by the report of the Shipping Rings Commission of Great Britain.

The CHAIRMAN. Of what date?

Mr. HUMPHREY of Washington. Of 1909.

The CHAIRMAN. Was that commission created by Parliament?

Mr. HUMPHREY of Washington. Yes. This is the report of the Royal Commission on Shipping Rings, with evidence and appendixes. Now, in volume 2, on page 3, it sets out here all these different conferences, and gives the names of the vessels that compose them, where they run, and the rebates that they made. It covers the whole world.

Then I want just to read, if the committee is not in a hurry, a word from the report to the British ambassador, Mr. Bryce, by the British consular officer in New York, on page 227. He was asked to make a report as to the condition in this country. I just want to read a paragraph or two from him. He says:

I regret that owing to disinclination on the part of both shipping companies and individual shippers to afford the information required, it has been found impossible to obtain more than the mere outlines of the exact transactions.

The unwillingness above alluded to is no doubt owing to the fact that in every instance rebates have been offered by the conferences and accepted by the shippers and constitute business secrets which they are anxious to conceal. Another factor in the difficulty is that should there be any advantage accruing to American trade by such arrangements, the persons interested will give no information in the matter.

That shipping rings and conferences exist is an open secret, and the following list reveals the fact that their operations affect all the principal foreign trade routes from this port.

He is referring to the port of New York. Then he says: "The well-known conference lines are: (1) Australia and New Zealand, (2) South Africa, (3) China, Japan, and Manila, (4) River Plate, (5) Brazil," etc.; and then he sets forth in detail the lines that run from New York to different ports of the world:

Now, I want to call to your attention this, that—

In most instances the shipowners and shippers deny that rebates are granted, and, though technically correct, such reimbursements can generally be found concealed under such heads as "advertising" or "brokerage."

The object of these rebates is no doubt to stifle competition, and it would be difficult, if not impossible, for any independent line to give service equal to the frequent sailing of the ring and quote rates at least 10 per cent below the conference rates or give the equivalent rebate.

Inquiries which have been made tend to show that, though discrimination in rates is granted, the system does not appear to be in force to any great extent, excepting in the case of gigantic corporations such as the Standard Oil Co. and the United States Steel Corporation, both of whom are in a position to dictate their own terms on the threat of giving their business to competing companies or of chartering their own tonnage. It is possible and even probable that other large shippers are accordingly favored in this matter, but all such transactions are disguised under some other name.

The other company or corporation that is mentioned oftenest in the evidence is the Harvester Combine. Those three companies,

Standard Oil, the United States Steel Corporation, and the Harvester Combine, seem to have special rates all the time. It seemed to me that publicity is the one great thing that we ought to have. While these volumes are published and are public documents in Great Britain, and while they contain the most sensational evidence concerning our commerce, yet until I read them nobody knew of them. Until the people know that there is no competition between the foreign vessels carrying our oversea commerce, and that the rates are placed at the highest point that the traffic will bear and fixed by agreement, we will find no remedy.

Mr. FASSETT. There is no bureau of publicity among the people who are opposing these foreigners?

Mr. HUMPHREY of Washington. No. I can give a striking illustration of how the publicity is arranged on the side of the foreign ships. I went to New York last year and made a speech, in which I touched upon the inefficiency of the transportation facilities between this country and South America. A day or two afterwards ex-Secretary Shaw spoke in New York about the same subject, and later on I wrote an article in Pearson's Magazine on the same subject. Within a short time editorials appeared in a number of newspapers in this country refuting my statement as to the transportation facilities between this country and South America in strong language, and those editorials were accompanied by statements signed by shippers from New York.

They were so similar that anyone could see that they were sent out from a common source. One of these men before the Steenerson investigation committee, when asked about signing this contract, on cross-examination said that the contract was prepared by Busk & Daniels, the agents of the Lamport & Holt Line, and that when he signed it there was \$28,000 due his company. Busk & Daniels took this statement, that the shipper was coerced to sign, and sent it to those papers, asking them to make favorable comment upon it, and with that request was a renewal of their advertisements in the papers. This was the way they got that editorial all over this country. I sent a copy of this testimony to those papers that had said it was an attempt to steal something out of the public Treasury, when the conditions to South America were exposed, but none of them ever made any comment on this evidence.

The CHAIRMAN. Certainly not.

Mr. HUMPHREY of Washington. It is a matter of publicity. If anyone wishes to see these rebate contracts and agreements in the back of a copy of this speech that I have here, I have selected out those bearing on American commerce, and you will find those there more quickly than you can by turning through these volumes of testimony of the "Royal commission on shipping rings."

Mr. UNDERWOOD. Would you be willing to have the resolution to read so as to cover domestic shipping as well as foreign?

Mr. HUMPHREY of Washington. Yes; it should be that way now. If it is not, it should be.

Mr. FASSETT. You mean the coastwise shipping?

Mr. UNDERWOOD. Yes.

Mr. HUMPHREY of Washington. No. It does not cover coastwise and was not intended to.

Mr. UNDERWOOD. You are not willing to have it investigated, as well as the other?

Mr. HUMPHREY of Washington. Nobody has charged anything against the coastwise shipping. It is an absolute and complete monopoly—the coastwise trade. If those engaged in it are violating the laws, let us get after them, too.

Mr. UNDERWOOD. We can ship from New York to South Carolina at half the rate at which you can ship from New York to Mobile in the coastwise trade.

Mr. FASSETT. I do not know about the salt-water rates. I know about the fresh-water rates.

I suggest, Mr. Chairman, that Mr. Humphrey modify this resolution into the precise shape in which he wants the committee to act upon it, with Mr. Underwood's addition, so as to have these recitals made into allegations instead of assertions. You can cut them out altogether except as he wants them for a part of the record.

Mr. LAWRENCE. They can be cut out entirely.

Mr. HUMPHREY of Washington. I will tell you why I put them in. I thought that during the vacation a lot of people would send for that resolution, and I for that reason wanted it in that form.

Mr. UNDERWOOD. Suppose you broaden it so as to include the coastwise trade and reintroduce it?

Mr. HUMPHREY of Washington. Very well.

The CHAIRMAN. Then we will take it up in executive session at some future time.

(Thereupon, at 12.10 o'clock p. m., the hearing was concluded and the committee adjourned.)

The following documents were filed by Mr. Humphrey:

UNITED STATES CIRCUIT COURT FOR THE SOUTHERN DISTRICT  
OF NEW YORK, IN THE SECOND CIRCUIT.

THE UNITED STATES OF AMERICA, PETITIONER, AGAINST HAMBURG-AMERICANISCHE PACKETFAHRT-ACTIEN-GESELLSCHAFT AND OTHERS, DEFENDANTS.  
IN EQUITY.

PETITION OF THE UNITED STATES UNDER THE SO-CALLED SHERMAN ANTITRUST ACT.

*To the honorable the judges of the circuit court of the United States of America for the southern district of New York, sitting in equity:*

Your petitioner, the United States of America, by Henry A. Wise, its attorney for the southern district of New York, acting under direction of the Attorney General of the United States, brings this proceeding in equity against The Allan Line Steamship Co. (Ltd.), International Mercantile Marine Co. (American Line), International Navigation Co. (Ltd.) (American Line), The Anchor Line (Henderson Bros.) (Ltd.), Canadian Pacific Railway Co., The Cunard Steamship Co. (Ltd.), British & North Atlantic Steam Navigation Co. (Ltd.) (Dominion Line), Hamburg-Amerikanische Packetfahrt-Actien-Gesellschaft (Hamburg-American Line), Nederlandsh-Amerikaansche Stoomvaart Maatschappij (Holland-Amerika Lijn), Norddeutscher Lloyd (North German Lloyd Line), Soci  t   Anonyme de Navigation Belge Americaine (Red Star Line), Russian East Asiatic Steamship Co. (Ltd.) (Russian-American Line), Oceanic Steam Navigation Co. (Ltd.) (White Star Line), Bryce J. Allan, Phillip A. S. Franklin, John Lee, William Coverley, Charles P. Sumner, Emil L. Boas, Adrian Gips, Gustav H. Schwab, Herman C. Von Post, Gustav H. Schwab, jr., Alexander E. Johnson, and Max Strauss, and on information and belief alleges and shows:

I.

That the above-named defendants are engaged in foreign trade and commerce common carriers of passenger and freight, and more particularly of third-class or steerage passengers, between ports and inland points in the United

States and ports and inland points in Europe, Asia, and Africa, and, in respect thereto, are violating the provisions of the act of Congress passed July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," and the acts amendatory thereof and supplemental thereto, as will hereinafter more fully appear; and this proceeding is instituted to prevent and restrain the hereinafter particularly described agreement, contract, combination, and conspiracy in restraint of trade and commerce in the carriage of such steerage passengers between the United States and foreign countries, and the attempts to monopolize, and the contract, combination, and conspiracy to monopolize, and the existing monopoly of such trade and commerce, as hereinafter described.

## II. DESCRIPTION OF DEFENDANTS AND THE TRADE AND COMMERCE WHICH THEY CONDUCT.

1. At all the times herein mentioned, defendant, the Allan Line Steamship Co. (Ltd.), hereinafter referred to as the "Allan Line," was and now is a corporation organized and existing under and by virtue of the laws of the Kingdom of Great Britain, and, as such, engaged in trade and commerce between the United States of America and foreign nations, to wit, operating regular lines of steamships from ports in England and Scotland, in the Kingdom of Great Britain, to wit, London, Liverpool, and Glasgow, to ports in the United States, to wit, Portland, Me.; Boston, Mass.; and Philadelphia, Pa., and transporting between and to and from said ports upon its steamships freight and passengers for hire, and, particularly, that class of passengers ordinarily known and described in the steamship trade as third-class or steerage passengers; and at all such times the Allan Line has maintained agencies in divers cities in Europe and in the United States at which it has sold contracts for the transportation of freight and passengers on and by its steamships to and from the United States and from and to Europe, and has maintained agents in charge of such agencies who have been and now are engaged in soliciting persons to travel to and from Europe upon its said steamships; and in the case of all such passengers transported to the United States from Europe, it has docked its steamships and landed said passengers at one or the other of said ports of Portland, Boston, and Philadelphia, and in the case of such passengers transported to Europe, they have embarked at one or the other of said ports.

2. Defendant Bryce J. Allan is a resident of the State of Massachusetts, and is and for many years has been engaged in business under the firm name and style of H. & A. Allan, with an office and place of business at the city of Boston, in the State of Massachusetts; and at all such times has been and now is employed by and acting for the Allan Line in the capacity of general agent and manager of its business in the United States, and, as such general agent, has had and now has charge of the affairs in the United States of the Allan Line in connection with its business aforesaid, and represents himself and his said office, respectively, to be the person with whom and the place at which business may be transacted with the Allan Line.

3. At all the times herein mentioned, defendant International Mercantile Marine Co. was and now is a corporation organized and existing under and by virtue of the laws of the State of New Jersey, with an office and place of business in the city, county, State, and southern district of New York, where its principle business and affairs are transacted. It holds and votes a majority of the issued and outstanding capital stock, respectively, of the defendants International Navigation Co. (Ltd.), British & North Atlantic Steam Navigation Co. (Ltd.), Société Anonyme de Navigation Belge Americaine, and Oceanic Steam Navigation Co. (Ltd.).

4. At all the times herein mentioned, defendant International Navigation Co. (Ltd.) was and now is a corporation organized and existing under and by virtue of the laws of the Kingdom of Great Britain, with an office and place of business in the city, county, State, and southern district of New York, where its principal business and affairs in the United States are transacted.

5. At all the times herein mentioned, defendant International Mercantile Marine Co. has owned certain steam vessels which it has been engaged in operating between the port of New York, in the State of New York, and the port of Philadelphia, in the State of Pennsylvania, and the ports of Southampton and Liverpool, in England; and at all such times defendant International Navigation Co. (Ltd.) has owned certain steamships which it has been engaged in operating between said ports of New York and Philadelphia and said

ports of Southampton and Liverpool; and at all such times such steamships so operated by said International Mercantile Marine Co. and said International Navigation Co. (Ltd.), between said ports, have been and are known as the American Line; and that at all such times said companies have been engaged in transporting between and to, and from said ports, upon their said steamships, freight and passengers for hire, and particularly that class of passengers ordinarily known and described in the steamship trade as third-class or steerage passengers; and at all such times said companies have maintained agencies in divers cities in Europe and in the United States, at which they have sold contracts for the transportation of freight and passengers on and by their steamships to and from the United States and from and to Europe, and have maintained agents in charge of such agencies, who have been and are engaged in soliciting persons to travel to and from Europe upon their steamships; and in the case of all such passengers transported to the United States from Europe they have docked their steamships and landed said passengers at either the ports of New York or Philadelphia, and in the case of passengers transported by them to Europe, such passengers have embarked upon their steamships at one or the other of said ports.

6. Defendants Phillip A. S. Franklin and John Lee for some time have been and now are officers of said International Mercantile Marine Co. and said International Navigation Co. (Ltd.), to wit, vice presidents thereof; and have been and now are in charge of the office of each of said corporations in the city, county, State, and southern district of New York, and of their business and affairs.

7. At all the times herein mentioned, defendant The Anchor Line (Henderson Bros.) (Ltd.), hereinafter referred to as the "Anchor Line," was and now is a corporation organized and existing under and by virtue of the laws of the Kingdom of Great Britain, and, as such, engaged in trade and commerce between the United States of America and foreign nations, to wit, operating regular lines of steamships from the port of Glasgow, in Scotland, to the port of New York, in the State and southern district of New York, and transporting between, and to, and from said ports, upon its steamships, freight and passengers for hire, and particularly that class of passengers ordinarily known and described in the steamship trade as third-class or steerage passengers; and at all such times the Anchor Line has maintained agencies in divers cities in Europe and in the United States, at which it has sold contracts for the transportation of freight and passengers on and by its steamships to and from the United States and from and to Europe, and has maintained agents in charge of such agencies who have been and now are engaged in soliciting persons to travel to and from Europe upon its said steamships; and in the case of such passengers transported to the United States from Europe it has docked its steamships and landed said passengers at the port of New York, and in the case of such passengers transported to Europe they have embarked upon its steamships at said port.

8. Defendant William Coverley is a resident of the Borough of Brooklyn, in the city and eastern district of New York, and is and for many years has been engaged in business in the southern district of New York, with an office and place of business at No. 17 Broadway, Borough of Manhattan, city and county of New York; and at all such times he has been and now is employed by and is acting for the Anchor Line, in the capacity of general agent and manager of its business in the United States, and, as such general agent, has had and now has charge of the affairs in the United States of the Anchor Line in connection with its business aforesaid, and represents himself and his said office, respectively, to be the person with whom and the place at which business may be transacted with the Anchor Line.

9. At all the times herein mentioned, defendant Canadian Pacific Railway Co., hereinafter referred to as the "Canadian Pacific Line," was and now is a corporation organized and existing under and by virtue of the laws of the Dominion of Canada, with an office and place of business and an agent in charge thereof in the city, county, State, and southern district of New York; and at all such times it has been engaged in operating regular lines of steamships from the port of Liverpool, in England, to the ports of Montreal, Quebec, and St. John, in the Dominion of Canada, and continuous through lines of railway connecting with said steamship lines at the ports of Montreal, Quebec, and St. John, and operating thence through the Dominion of Canada into the United States to divers points within the divers States of the United States,

d at all such times has been engaged in transporting, between said points

in the United States and the said port of Liverpool, by way of said steamships and railway lines, freight and passengers for hire, and particularly that class of passengers ordinarily known and described in the steamship trade as third-class or steerage passengers; and at all such times it has maintained agencies in divers cities in Europe and in the United States at which it has sold contracts for the through transportation of freight and passengers on and by its said steamship and railway lines to and from points in the United States and from and to points in Europe; and it has maintained agents in charge of such agencies who have been and now are engaged in soliciting persons to travel to and from Europe upon said steamship and railway lines.

10. At all the times herein mentioned defendant The Cunard Steamship Co. (Ltd.), hereinafter referred to as the "Cunard Line," was and now is a corporation organized and existing under and by virtue of the laws of the Kingdom of Great Britain, with an office and place of business and an agent in charge thereof in the city, county, State, and southern district of New York; and at all such times it has been and now is engaged in trade and commerce between the United States of America and foreign nations, to wit, operating regular lines of steamships from the ports of New York and Boston, in the United States, to the ports of Liverpool, in England, and Fiume and Trieste, in Austria, and transporting between and to and from said ports, upon its steamships, freight and passengers for hire, and particularly that class of passengers ordinarily known and described in the steamship trade as third-class or steerage passengers; and at all such times the Cunard Line has maintained agencies in divers cities in Europe and in the United States at which it has sold contracts for the transportation of freight and passengers on and by its steamships to and from the United States and from and to Europe, and has maintained agents in charge of said agencies who have been and now are engaged in soliciting persons to travel to and from Europe upon its said steamships; and in the case of all such passengers transported to the United States from the said European ports, it has docked its steamships and landed such passengers at either the port of Boston or New York and in the case of such passengers transported by it to Europe they have embarked upon its said steamships at one or the other of said ports.

11. Defendant Charles P. Sumner is a resident of the city, county, State, and southern district of New York, and is, and for many years has been, engaged in business as the general agent in the United States of the Cunard Line, with an office and place of business at No. 21 State Street, in the Borough of Manhattan, city and southern district of New York, and is employed by and is acting for the Cunard Line in the capacity of such general agent, and has charge of the affairs in the United States of the Cunard Line in connection with its business aforesaid, and represents himself and his said office, respectively, to be the person with whom and the place at which business may be transacted with the Cunard Line.

12. At all the times herein mentioned, defendant British and North Atlantic Steam Navigation Co. (Ltd.) hereinafter referred to as the "Dominion Line," was and now is a corporation organized and existing under and by virtue of the laws of the Kingdom of Great Britain, with an office and place of business and an agent in charge thereof in the city, county, State, and southern district of New York; and at all such times it has been and now is engaged in trade and commerce between the United States of America and foreign nations, to wit, operating regular lines of steamships from Portland, in the State of Maine, to Liverpool, in England, and transporting between, and to, and from said ports, upon its steamships, freight and passengers for hire, and particularly that class of passengers ordinarily known and described in the steamship trade as third-class or steerage passengers; and at all such times the Dominion Line has maintained agencies in divers cities in Europe and in the United States, and particularly at the city of New York, in the southern district of New York, at which it has sold contracts for the transportation of freight and passengers on and by its said steamships to and from the United States and from and to Europe, and has maintained agents in charge of such agencies who have been and now are engaged in soliciting persons to travel to and from Europe, upon its said steamships; and in the case of all such passengers transported to the United States from Europe, it has docked its steamships and landed such passengers at the port of Portland, Me.; and in the case of such passengers transported to Europe they have embarked upon its steamships at said port.

13. At all the times herein mentioned, defendant Hamburg-Amerikanische Packet-fahrt-Actien-Gesellschaft, hereinafter referred to as the "Hamburg-American Line," was and now is a corporation organized and existing under and by virtue of the laws of the city of Hamburg, in the Empire of Germany, with an office and place of business and an agent in charge thereof in the city, county, State, and southern district of New York; and at all such times it has been and now is engaged in trade and commerce between the United States of America and foreign nations, to wit, operating regular lines of steamships between the port of New York, in the United States, and the port of Hamburg, in Germany, and transporting between, and to, and from said ports, upon its steamships, freight and passengers for hire, and particularly that class of passengers ordinarily known and described in the steamship trade as third-class or steerage passengers; and at all such times it has maintained agencies in divers cities in Europe and in the United States, at which it has sold contracts for the transportation of freight and passengers on and by its steamships to and from the United States and from and to Europe, and has maintained agents in charge of said agencies who have been and now are engaged in soliciting persons to travel to and from Europe, upon its said steamships; and in the case of all such passengers transported to the United States from the said European ports, it has docked its steamships and landed such passengers at the port of New York, and in the case of such passengers transported to Europe, they have embarked upon its steamships at said port.

14. Defendant Emil L. Boas is a resident of the city, county, State, and Southern District of New York, and is and for many years has been engaged in business as resident director and general manager in the United States of the Hamburg-American Line, with an office and place of business at No. 45 Broadway, in the Borough of Manhattan, city, county, State, and Southern District of New York; and at all such times he has been and now is employed and acting as such resident director and general manager in the United States of the business of the Hamburg-American Line, and has charge of its affairs in the United States in connection with its business aforesaid, and represents himself and his said office respectively to be the person with whom and the place at which business may be transacted with the Hamburg-American Line.

15. At all the times herein mentioned, defendant Nederlandsh-Amerikaansche Stoomvaart Maatschappij (Holland-Amerika Lijn), hereinafter referred to as the "Holland-America Line," was and now is a corporation organized and existing under and by virtue of the laws of the Kingdom of the Netherlands, with an office and place of business and an agent in charge thereof in the city, county, State, and Southern District of New York; and at all such times it has been and now is engaged in trade and commerce between the United States of America and foreign nations, to wit, operating regular lines of steamships from the port of New York, in the State of New York, to the port of Rotterdam, in Holland, and transporting between, and to, and from said ports, upon its steamships, freight and passengers for hire, and particularly that class of passengers ordinarily known and described in the steamship trade as third-class or steerage passengers; and at all such times the Holland-America Line has maintained agencies in divers cities in Europe and in the United States, at which it has sold contracts for the transportation of freight and passengers on and by its steamships to and from the United States and from and to Europe, and has maintained agents in charge of said agencies who have been and now are engaged in soliciting persons to travel to and from Europe, upon its said steamships; and in the case of all such passengers transported to the United States from the said European ports, it has docked its steamships and landed such passengers at the port of New York, and in the case of such passengers transported by it to Europe they have embarked upon its said steamships at said port.

16. Defendant Adrian Gips is a resident of the county, State, and Southern District of New York, and is and for many years has been engaged in business in the Southern District of New York as the general agent of the Holland-America Line, with an office and place of business at No. 39 Broadway, in the Borough of Manhattan, city, county, State, and Southern District of New York; and at all such times he has been and now is employed and acting as such general agent in the United States of the business of the Holland-America Line, and has charge of its affairs in the United States in connection with its business aforesaid, and represents himself and his said office respectively to be the person with whom and the place at which business may be transacted with the Holland-America Line.

17. At all the times herein mentioned defendant Norddeutscher Lloyd, hereinafter referred to as the "North German Lloyd Line," was and now is a corporation organized and existing under and by virtue of the laws of the city of Bremen, in the Empire of Germany, with an office and place of business and an agent in charge thereof in the city, county, State, and Southern District of New York; and at all such times it has been and now is engaged in trade and commerce between the United States of America and foreign nations, to wit, operating regular lines of steamships from the ports of Baltimore, in the State of Maryland, and New York, in the State of New York, to the port of Bremen, in Germany, and transporting between, and to, and from said ports, upon its steamships, freight and passengers for hire, and particularly that class of passengers ordinarily known and described in the steamship trade as third-class or stowage passengers; and at all such times it has maintained agencies in divers cities in Europe and in the United States at which it has sold contracts for the transportation of freight and passengers on and by its steamships to and from the United States and from and to Europe, and has maintained agents in charge of said agencies, who have been and now are engaged in soliciting persons to travel to and from Europe upon its said steamships; and in the case of all such passengers transported to the United States from the said European port it has docked its steamships and landed such passengers at either the port of New York or Baltimore, and in the case of such passengers transported to Europe they have embarked upon its steamships at one or the other of said ports.

18. Defendants Gustav H. Schwab, Herman C. Von Post, and Gustav H. Schwab, jr., are residents of the city, county, State, and Southern District of New York, and are partners doing business under the firm name and style of Oelrichs & Co., with an office and place of business at No. 5 Broadway, New York City. They are and for many years have been general agents in the United States of the North German Lloyd Line, and in general charge of its affairs within the United States, and hold themselves and their office out to the public as the persons with whom and the place at which business may be transacted with the North German Lloyd Line.

19. At all the times herein mentioned, defendant Société Anonyme de Navigation Belge Americaine, hereinafter referred to as the "Red Star Line," was and now is a corporation organized and existing under and by virtue of the laws of the Kingdom of Belgium, with an office and principal place of business and an agent in charge thereof in the city, county, State, and Southern District of New York; and at all such times has been and now is engaged in trade and commerce between the United States of America and foreign nations, to wit, operating regular lines of steamships from the ports of New York and Philadelphia, in the United States, to the port of Antwerp, in Belgium, and transporting between, and to, and from said ports, upon its steamships, freight and passengers for hire, and particularly that class of passengers ordinarily known and described in the steamship trade as third-class or stowage passengers; and at all such times it has maintained agencies in divers cities in Europe and in the United States, at which it has sold contracts for the transportation of freight and passengers on and by its steamships to and from the United States and from and to Europe, and has maintained agents in charge of said agencies who have been and now are engaged in soliciting persons to travel to and from Europe upon its said steamships; and in the case of all such passengers transported to the United States from the said European port, it has docked its steamships and landed such passengers at either of the ports of New York or Philadelphia, and in the case of such passengers transported to Europe, they have embarked upon its steamships at said ports.

Defendant International Mercantile Marine Co. is the general agent in the United States of the Red Star Line, and the Red Star Line holds out the office of the International Mercantile Marine Co. in the city, county, State, and southern district of New York as the place at which it transacts business.

20. At all the times herein mentioned defendant Russian East Asiatic Steamship Co. (Ltd.), hereinafter referred to as the "Russian-American Line," was and now is a corporation organized and existing under and by virtue of the laws of the Empire of Russia, with an office and place of business and an agent in charge thereof in the city, county, State, and southern district of New York; and at all such times it has been and now is engaged in trade and commerce between the United States of America and foreign nations, to wit, operating regular lines of steamships from the port of New York, in the United States,



to the port of Libau, in Russia, and transporting between and to and from said ports, upon its steamships, freight and passengers for hire, and particularly that class of passengers ordinarily known and described in the steamship trade as third-class or steerage passengers; and at all such times it has maintained agencies in divers cities in Europe and in the United States at which it has sold contracts for the transportation of freight and passengers on and by its steamships to and from the United States and from and to Europe, and has maintained agents in charge of said agencies who have been and now are engaged in soliciting persons to travel to and from Europe, upon its said steamships; and in the case of all such passengers transported to the United States from the said European port, it has docked its steamships and landed such passengers at the said port of New York, and in the case of such passengers transported to Europe they have embarked upon its steamships at said port.

21. Defendants Alexander E. Johnson and Max Strauss are residents of the city, county, State, and southern district of New York, and are copartners trading and doing business under the firm name and style of A. E. Johnson & Co., with an office and place of business at No. 1 Broadway, Borough of Manhattan, city and southern district of New York. They are and for some time past have been the general agents in the United States of the Russian-American Line, and in general charge of its affairs and business with the United States, and held themselves and their office out to the public as the persons with whom and the place at which business may be transacted with the Russian-American Line.

22. At all the times herein mentioned defendant Oceanic Steam Navigation Co. (Ltd.), hereinafter referred to as the "White Star Line," was and now is a corporation organized and existing under and by virtue of the laws of the Kingdom of Great Britain, with an office and place of business and an agent in charge thereof in the city, county, State, and southern district of New York; and at all such times it has been and now is engaged in trade and commerce between the United States of America and foreign nations, to wit, operating lines of steamships from the ports of New York and Boston, in the United States, to the ports of Liverpool and Southampton, in England, and transporting between and to and from said ports upon its steamships freight and passengers for hire, and particularly that class of passengers ordinarily known and described in the steamship trade as third-class or steerage passengers; and at all such times it has maintained agencies in divers cities in Europe and in the United States at which it has sold contracts for the transportation of freight and passengers on and by its steamships to and from the United States and from and to Europe, and has maintained agents in charge of said agencies who have been and now are engaged in soliciting persons to travel to and from Europe upon its said steamships; and in the case of all such passengers transported to the United States from the said European ports it has docked its steamships and landed such passengers at either the port of New York or Boston, and in the case of such passengers transported to Europe, they have embarked upon its steamships at one or the other said ports.

Defendant International Mercantile Marine Co. is the general agent in the United States of the Red Star Line, and the Red Star Line holds out the office of the International Mercantile Marine Co. in the city, county, and southern district of New York as the place at which it transacts business.

23. The corporations hereinbefore described will hereinafter be referred to collectively as "defendant steamship lines."

24. The defendant steamship lines, by virtue of their separate corporate organization and the ports between which their lines of steamships are run, as hereinbefore set forth, are and should be natural competitors in the business of furnishing facilities for the aforesaid steerage-passenger traffic, and but for the existence of the unlawful combination, contract, and conspiracy, hereinafter more fully described, and the enforcement and fulfillment of the terms and purposes thereof, said defendant steamship lines, and each of them, would be actively competing with all of the others in the said business.

### III. DESCRIPTION OF THE TRADE AND COMMERCE WHICH THE DEFENDANTS ARE MONOPOLIZING AND ATTEMPTING AND CONSPIRING TO MONOPOLIZE.

The public lands of the United States have been since the day the Government was formed, the one possession more coveted than any other in the world by the peasant and artisan of Europe seeking a proprietorship and personal importance here which they could not hope for in their native countries. The resulting annual influx of population from all parts of Europe to the United States has steadily increased until the traffic back and forth is very large and

very lucrative. The return travel results from the desire of immigrants to return to their European homes, either to bring over members of their families to this country or merely to revisit them. With the increase of this traffic, the steamship companies have extended their facilities for handling it until the income from the third-class or steerage rates between Europe and North America is one of the most important parts of their revenue.

The average number of immigrants coming to this country annually from Europe at third-class or steerage rates, for the five years last past, has been 1,200,000, and the average of emigrants returning annually to Europe during the same period has been approximately 500,000. The resultant revenue to the steamship companies handling this traffic has been approximately \$55,000,000 per annum, and during this period an increasingly large amount has been expended in the United States by immigrants in the purchase of tickets for relatives in Europe to enable them to come to America.

#### IV. THE COMBINATION AND CONSPIRACY IN WHICH DEFENDANTS ARE ENGAGED.

The defendants for some time past have been and now are engaged in the United States, and particularly in the southern district of New York, in an unlawful combination and conspiracy to restrain a part of the trade and commerce of the United States with foreign nations, and to monopolize the same, that is to say, they are and for some time have been engaged (in the said Southern District of New York), in a combination and conspiracy to destroy all competition among and between themselves in the business of transporting third-class or steerage passengers, by steamships, between ports in the United States of America and ports in Europe, and in and by eliminating, suppressing and destroying all competition in such traffic by any and all persons and corporations other than themselves, the objects of which said combination and conspiracy they are seeking and have sought to accomplish in the manner and by the means hereinafter set forth.

#### V. THE MANNER AND MEANS OF ACCOMPLISHING THE UNLAWFUL COMBINATION AND CONSPIRACY.

##### *A. Terms of agreement upon formation of the unlawful combination and conspiracy, and the amendments thereto:*

1. February 5, 1908, at the city of London, in England, defendant the Allan Line, the Anchor Line, the Cunard Line, the Hamburg-American Line, the Holland-America Line, North German Lloyd, the Red Star Line, International Mercantile Marine Co., White Star Line, the International Navigation Co. (Ltd.), the Dominion Line and the Canadian Pacific Line entered into said unlawful combination and conspiracy in and by the execution of an unlawful contract, a copy of which is hereto annexed, and marked Exhibit A, and prayed to be considered as a part hereof, as if here set forth in full, wherein and whereby each of them became a member of a voluntary association under the name and style of the "Atlantic Conference," which said association was to maintain an office with a person in charge thereof who should be and is designated and described as "secretary."

2. Under the terms of this contract these lines agreed to divide and share in the entire steerage traffic forwarded by all of them between all European ports and the United States and Canada with the exception of traffic consisting of Italian and oriental (i. e., passengers to and from Greece, Africa, and Asia) steerage passengers, forwarded by direct steamers through the Straits of Gibraltar, according to the following percentages:

West bound:	Per cent.
Allan Line.....	0. 62
Anchor Line.....	3. 40
Cunard Line.....	13. 75
Hamburg-American Line.....	19. 61
Holland-America Line.....	6. 63
North German Lloyd.....	26. 53
Red Star Line.....	9. 71
International Mercantile Marine Co.—	
White Star Line.....	8. 60
American Line.....	6. 68
Dominion Line.....	4. 47
Total.....	<u>100. 00</u>

East bound :	Per cent.
Allan Line.....	4. 95
Anchor Line.....	3. 93
Cunard Line.....	12. 77
Flume Trieste Service.....	2. 35
Hamburg-American Line.....	12. 35
Holland-America Line.....	6. 10
North German Lloyd.....	18. 79
Red Star Line.....	8. 56
International Mercantile Marine Co.—	
White Star Line.....	15. 49
American Line.....	8. 72
Dominion Line.....	1. 50
Canadian Pacific Line.....	4. 49

3. By the terms of this contract they further agreed that each of them which in any year should carry steerage passengers in excess of the aforesaid agreed percentage should pay a compensation price of £4 for each excess steerage passenger so carried by it, and that the total of the compensation money so paid should be divided among the lines, parties to the agreement, which had failed to carry their agreed percentage of such steerage passengers in proportion to the number of steerage passengers which each such line should be short; that a provisional settlement of such compensation money should be made between the lines each month and a final settlement at the end of each year on the basis of periodic accounts kept and rendered to the lines by the secretary of the association.

4. By the terms of this contract it was further agreed that a majority of the lines entitled thereunder to at least 75 per cent of the total agreed shares in said steerage traffic should have the right from time to time to raise or lower the above described compensation price of £4, the expressed intention of the contracting parties being that such compensation price should be raised as the average steerage rate was raised, and should be lowered if the average steerage rate should be lowered, so that such compensation price would at all times be sufficient to deter each and any of the contracting parties from attempting to carry more than its agreed percentage of such steerage traffic, and at the same time it should not be sufficiently high to offer an inducement to any of them to refrain from carrying its agreed share.

5. By the terms of this contract it was further agreed that whenever said monthly accounts showed that any of the lines had exceeded or remained below its agreed percentage of said traffic, such line should at once either raise or lower its steerage rate so that the number of steerage passengers carried by it should again amount to its agreed percentage of the total steerage traffic covered by the contract, and that in the event that in the opinion of a majority of the lines, parties to the agreement, controlling thereunder at least 75 per cent of said steerage traffic, if the measures so adopted were not sufficiently drastic to accomplish said intended result, such majority should have the right to direct such line to take more drastic measures to bring the number of steerage passengers carried by it into accordance with its agreed percentage; and it was further agreed to be the sense of the contracting parties that such adjustment should be secured, whenever practicable, by raising the steerage rates of one or several of said defendant steamship lines rather than by lowering such rates by any of them.

6. By the terms of this contract each of said lines further agreed to, and each of them thereafter did deposit with the secretary of the association, as a guarantee of the performance of the provisions of the contract, a negotiable promissory note in the sum of £1,000 for each 1 per cent of its agreed proportion in the traffic covered by the contract, and by said contract each line agreed that the entire sum so deposited by it should be forfeited upon its unauthorized withdrawal from the association before its termination or upon its refusal to pay compensation money or its failure to replenish its deposit in case it should become impaired by payment of penalties, as hereinafter described, or its starting or assisting any new line in competition with all or any of the contracting lines in such traffic.

7. By the terms of this contract it was further agreed that all disputes arising thereunder between any of the parties thereto should be settled by an arbitrator or arbitrators; that such arbitrator or arbitrators should have power to impose upon any of the lines, for violation of any of the provisions of this

contract, penalties in amounts not less than £250 for each such violation and not less than £2,500 for each willful or intentional violation, and that in case the amount of such penalty should not be paid within eight days after its imposition the above-described deposit of the line against which such penalty was imposed should be drawn upon for the amount of such penalty.

8. By the terms of this contract it was further agreed that new lines might thereafter be admitted to the contract and association and the terms of the contract altered from time to time by the unanimous vote of all the parties thereto.

9. By the terms of this contract the lines further agreed that for the discussion of questions arising under the terms of the contract, for the discussion of proposed amendments thereto and of the proposed admission of other lines to the terms thereof, meetings of the contracting parties should be held from time to time at various places in Europe.

*B.—Defendant The Russian-American Line becomes a party to the illegal contract:*

Pursuant to the provisions of the aforesaid unlawful contract and in furtherance of the aforesaid unlawful combination and conspiracy, on or about September 1, 1909, at a meeting held by all the other defendant steamship lines at the city of Cologne, Germany, defendant, the Russian-American Line, was duly admitted to membership in the Atlantic Conference and to all the provisions of said contract. Petitioner is unable to state what percentage of the said steerage traffic it was thereupon agreed that the said Russian-American Line should be entitled to, but your petitioner is informed, and believes, that the shares of all the lines parties to said contract were in some respects altered so as to provide a percentage of such traffic for the Russian-American Line.

By the terms of said unlawful contract of February 5, 1908, and the amendment thereto whereby the Russian-American Line was admitted to the Atlantic Conference and to the terms and provisions of said contract, the provisions thereof are extended to remain effective and binding upon the contracting parties up to and including February 28, 1911, and thereafter to remain effective and binding upon said parties from year to year unless notice of intention to withdraw from the terms thereof at the end of any year shall be given by one or more of the parties thereto on or before the 1st day of December of the year in which such notice is given.

*C.—Acts pursuant to the unlawful agreement and to effect the purpose of the unlawful combination and conspiracy:*

1. Ever since the adoption of the aforesaid unlawful contract the business of all and every of said defendant steamship lines, in so far as it consists in the carriage of the steerage traffic referred to therein, has been, and at the date of filing this petition is, carried on by each and every of them in all respects in accordance with the terms and provisions thereof and in accordance with the terms and provisions of resolutions adopted by said contracting parties at meetings held in pursuance thereof, and all free and natural competition between said lines in the establishment of rates and the furnishing of facilities for such steerage traffic has been, and is thereby, wholly eliminated.

2. The successful accomplishment of the objects of said unlawful agreement and said unlawful combination and conspiracy thereby entered into necessarily involved the execution of the terms, scope, and intent of said agreement throughout the United States, and more particularly in the southern district of New York. And ever since February 5, 1908, for the effective accomplishment of the objects aforesaid, each of the individual defendants herein has been and is designated and established by his respective line at his respective office in the United States as agent for such line, to carry out and make effective the terms, objects, and intent of said unlawful agreement, combination, and conspiracy in the United States. And said individual defendants, at their respective offices and agencies throughout the United States, and more particularly in the southern district of New York, at all times herein mentioned down to the time of the filing of this petition, have almost daily carried out and executed acts necessary for the successful accomplishment of said unlawful combination and conspiracy.

3. And at all such times all of said individual defendants, at the southern district of New York, have received orders and instructions from their respective principals in respect to the accomplishment of the objects and purposes of said unlawful combination and conspiracy, and each and all of them have, within said southern district of New York, complied with and carried out such instructions.

*Agreement to destroy competition of independent lines.*

In and for the execution of said unlawful combination and conspiracy and in furtherance thereof, all of the defendant steamship lines, at a meeting held March 25, 1908, agreed that they should act together to eliminate and destroy the competition of any and all persons and corporations that might then or thereafter operate lines of steamships and carry steerage passengers between Europe and the United States in competition with all or any of defendant steamship lines in the traffic covered by the terms of the aforesaid unlawful agreement.

*Arrangement to use so-called "fighting steamers" to destroy competition.*

In and for the execution of the aforesaid resolution, and for the purpose of effecting the objects of said unlawful combination and conspiracy, said defendant steamship lines at said meeting appointed three of their representatives at New York City to act as a committee for and on behalf of all of them at the city of New York for the selection from among the steamships belonging to said defendants of so-called "fighting steamers" to sail eastbound from the port of New York to European ports whenever steamships operated by competing lines should be scheduled to sail; and said committee was authorized, empowered, and directed to fix and change, from time to time, on short notice, the advertised rates at which third-class or steerage passengers should and would be carried on such "fighting steamers," which was to be done in order effectually to meet and undercut any rate and any decrease in rate adopted by such competitor or competitors. And said committee was further authorized, empowered, and directed to select from among the steamships belonging to the defendant steamship lines and scheduled to sail on or about the same date or dates as such "fighting steamers" to carry the persons who might be booked for passage as steerage passengers on such "fighting steamers" in excess of their carrying capacity; and it was provided that such excess passengers should be carried by such steamships so selected at the advertised steerage rate of such "fighting steamers." It was further agreed by the defendant steamship lines, under the terms of said resolution, that the line or lines carrying such excess steerage passengers at such reduced rates should be compensated by the other defendant steamship lines by payments amounting for each passenger so carried to the difference between the regular advertised steerage rate of such line and such reduced rate.

*Competitors are crushed.*

Upon the adoption of said resolution the above-described method of competition was at once employed by the defendant steamship lines, then parties to said unlawful contract, combination, and conspiracy, to meet and suppress competition in said steerage traffic by a line of steamships then operating and carrying third-class or steerage passengers between the port of New York and the port of Libau, in Russia, under the name and style of the Russian Volunteer Fleet, and by defendant, the Russian-American Line, which was not at that time a party to said unlawful contract, combination, and conspiracy.

*The Russian Volunteer Fleet is driven out of business.*

From the month of March until the month of June, 1908, said Russian Volunteer Fleet frequently advertised its steamships to sail from the port of New York to the port of Libau, in Russia, and advertised for and solicited persons to sail as third-class or steerage passengers upon such ships, which ships were thoroughly equipped for handling such traffic, and as regularly as such ships were so advertised to sail the aforesaid committee of three representatives, in the city of New York, of defendant steamship lines selected a so-called "fighting steamer" and advertised the same to sail from the port of New York to said port of Libau on or about the day that the ship of the Russian Volunteer Fleet was so advertised to sail, and advertised the rate for steerage or third-class passengers at a sum less than that advertised by the Russian Volunteer Fleet, and such rate was in each such instance so low that said Russian Volunteer Fleet could not profitably compete therewith.

Owing to such unfair and unlawful competition said Russian Volunteer Fleet incurred serious financial loss in the conduct of its third-class or steerage traffic, and in the month of July, 1908, to the great detriment and loss to the public

and to persons desiring to procure third-class or steerage transportation between New York and Russia, said Russian Volunteer Fleet withdrew its steamships from said service between the ports of New York and Libau and has ever since ceased to operate said line.

*The Russian-American Line is driven out of competition and forced into the unlawful combination and conspiracy.*

From the month of March until the month of September, 1908, defendant the Russian-American Line, was independently engaged in operating its line of steamships from the port of New York to the port of Libau, in Russia, and in carrying thereon third-class or steerage passengers in competition with all of the other defendant steamship lines, and frequently during said period it advertised its steamships to sail from said port of New York and advertised for and solicited persons to travel upon its ships as third-class or steerage passengers, and in each such instance the aforesaid committee of three selected a so-called "fighting steamer" and advertised the same to sail at or about the same time as the ships of the Russian-American Line, and advertised the third-class or steerage rates thereon at far less than the rate therefor upon the steamer of the Russian-American Line, and such rate was so low that the Russian-American Line could not profitably compete therewith.

Owing to this unfair and unlawful competition the Russian-American Line incurred serious financial loss in the conduct of its third-class or steerage traffic, and in order to be permitted to continue in said business it unlawfully and wrongfully sought admission to the aforesaid unlawful combination and conspiracy, and in or about the month of September, 1908, signed and became a party to the aforesaid unlawful contract of February 5, 1908, and was accorded by the other defendant steamship lines a certain percentage of said steerage traffic, which it has ever since been permitted to handle and transport upon its steamships without further interference or molestation, and ever since it has been conducting its said business, trade, and commerce in concert and harmony and free from competition with said other defendant steamship lines, and under and pursuant to and in accordance with the aforesaid unlawful contract, combination, and conspiracy to the great loss and detriment of the people of the United States.

*Unfair competition against the Uranium Steamship Co.*

About April 1, 1909, the Uranium Steamship Co. (Ltd.), a corporation organized and existing under and by virtue of the laws of the Kingdom of Great Britain, began to operate and has ever since operated a regular line of steamships under the name and style of the North West Transport Line, between the ports of New York and Rotterdam, and began to carry and has ever since carried third-class or steerage passengers thereby between the said ports; and at all such times it has operated its said steamships in an endeavor to compete with the defendant steamship lines in the carriage of third-class or steerage passengers, and has endeavored to obtain a share in such traffic without being a party to the aforesaid unlawful contract of February 5, 1908, and to the aforesaid unlawful combination and conspiracy among the defendant steamship lines.

In and for the further execution of the aforesaid unlawful combination and conspiracy, and pursuant to resolution of March 25, 1908, hereinbefore mentioned, the defendant steamship lines on or about the 1st day of April, 1909, authorized and directed the aforesaid committee of three, in New York City, to select "fighting steamers" to carry third-class or steerage passengers at cut rates against the steamships of said North West Transport Line on behalf of all the defendant steamship lines.

In the month of March, 1910 (after the Government instituted an inquiry into the affairs and conduct of the defendant steamship lines), the aforesaid committee of three in New York, it is said, was disbanded, but the above-described unlawful methods adopted by the defendant steamship lines to eliminate competition with them in the carriage of steerage passengers by said North West Transport Line, are continued and now are in force, except that since March, 1910, the said "fighting steamers" are selected and their rates for steerage transportation altered from time to time by the defendant steamship lines in Europe and notices of such action are now sent by them to the individual defendants representing them in this country, and such cut rates for such "fighting steamers" are and since March, 1910, have been put in force by notices

sent out by the individual defendants to the agents throughout the United States for the sale of tickets for third-class steerage transportation on such lines.

Owing to the above-described illegal and oppressive measures adopted in concert by the defendant steamship lines for the purpose of excluding said North West Transport Line from a participation in said traffic and effectuating the restraint and monopoly of the said traffic pursuant to the aforesaid unlawful combination and conspiracy, said North West Transport Line has at all times since the institution of its said service been prevented from obtaining a fair and reasonable share of said traffic and has been forced to carry such of it as it has secured at a financial loss.

Further in pursuance of the aforesaid unlawful combination and conspiracy and to prevent other persons and corporations from engaging in the traffic covered thereby, the defendant steamship lines have agreed that no one of them shall continue in its employ as agent for the sale of tickets over its line, any person who shall act as agent for the sale of third-class or steerage tickets over any independent line in competition with said defendants' lines; this agreement is now in force and the measures provided for thereunder are to-day employed by the individual defendants within the United States and particularly in the southern district of New York for and on behalf of the defendant steamship lines, and particularly as a part of the above described illegal and oppressive attack upon the said North West Transport Line.

*Excessive and arbitrary rates are charged by defendants for steerage transportation.*

At all times since the formation of the aforesaid unlawful combination and conspiracy (and since the adoption of the aforesaid unlawful contract), and the institution of the practices hereinbefore referred to as adopted in pursuance thereof, each and all of the defendant steamship lines, in pursuance of said combination, conspiracy, and contract, have arbitrarily fixed their rates for steerage transportation so as to bring about the arbitrary division of traffic hereinbefore referred to and at the same time to maintain rates at that artificial level at which said traffic so monopolized may be made to yield the highest net return to them, and by such action in fixing said rates they have deprived and are depriving the public of the benefit of the normal division of traffic between persons and corporations engaged in such traffic, according to the needs and convenience of the public, that would naturally have resulted from free competition among persons and corporations engaged in such traffic, and of the benefit of the lower scale of rates for such traffic that would normally have resulted from free competition among such persons and corporations, and of the benefit of superior facilities for such traffic that would normally have been provided as a result of said competition.

*Penal enforcement of the terms of the unlawful contract.*

Ever since the formation of the aforesaid unlawful combination and conspiracy (and the adoption of the aforesaid unlawful contract) each and all of the defendant steamship lines has been constrained to conduct its steerage business in all respects in compliance with the terms and provisions of said contract under duress of loss of membership in said conspiracy for failure to observe and carry out the provisions of said contract and of the consequent forfeiture of the money deposit made by it under said contract and of the exposure of such line to the combined attack upon it by all the other defendant steamship lines by the practices hereinbefore described.

VI. MONOPOLY RESULTING FROM CONSPIRACY.

By the aforesaid unlawful contract and the unlawful practices hereinbefore described, as instituted by the defendant steamship lines to effect the objects of the aforesaid unlawful combination and conspiracy, the defendant steamship lines have obtained and attempted to obtain a virtual monopoly of that part of the traffic of transporting steerage passengers in trade and commerce between the United States and foreign nations that was included within the scope and objects of said conspiracy, and at the date of filing this petition upward of 90 per cent of the total third-class or steerage passenger traffic between Europe and North America is carried in ships belonging to the defendant steamship lines, and upward of 75 per cent of such total steerage passenger traffic is regulated, limited, and restrained by means of the aforesaid unlawful contract of February 5, 1908.

## VII. PRAYER.

In consideration whereof, and inasmuch as petitioner can only have adequate relief in the premises in this honorable court, where matters of this nature are properly cognizable and relievable, your petitioner prays:

1. That the aforesaid unlawful combination and conspiracy and the aforesaid contract entered into and continued by the defendants, as set forth herein, be declared illegal and in violation of the act of Congress passed July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," and the acts supplemental thereto and amendatory thereof, and that an injunction issue restraining and prohibiting the defendants and each, every, and all of them and their officers, servants, employees, attorneys, and agents from doing any act in pursuance or in furtherance thereof by the means herein described, or by any other means, and be required to desist and withdraw from all connection with the same, and that they and each of them be required and compelled to cancel and abate said unlawful contract.

2. That each, every, and all of said defendant steamship lines be enjoined, restrained, and forbidden either to enter or clear any of their ships or vessels at the port of New York or at any other port of entry within the United States of America or any of its possessions so long as it shall continue to operate pursuant to or cooperate with any of the other defendants under the aforesaid unlawful combination and conspiracy, or under or pursuant to any such or similar combination and conspiracy.

3. That the defendants and all and each of them, their officers, servants, employees, attorneys, and agents be enjoined and prohibited from further agreeing, combining, conspiring, and acting together to establish and maintain rules, regulations, and rates for carrying steerage passengers upon the several steamships operated by the defendant steamship lines, or any of them, between ports in the United States and European ports, in restraint of the trade and commerce of the United States with foreign nations, and from entering into or continuing in, or doing anything in aid of any combination, association, contract, or conspiracy to deprive the people traveling between points in the United States and European ports of such facilities and rates for steerage transportation as will be afforded by free and unrestrained competition among said defendant steamship lines, or any of them.

4. That the defendants and all and each of them, their officers, servants, employees, attorneys, and agents, be enjoined and prohibited from further agreeing, combining, conspiring, or acting together to injure or destroy the business of any person or corporation engaged in or who may at any time hereafter be engaged in the business of carrying steerage passengers between points in the United States and European ports, and from further agreeing, combining, conspiring, or acting together to monopolize the said steerage traffic in the trade and commerce between the United States and foreign nations or any part thereof.

5. That the defendants, and each of them, their officers, agents, attorneys, servants, and employees, be enjoined and prohibited from entering into or taking part in or performing any contract, combination, or conspiracy the object, purpose, or effect of which will be a restraint of or a monopolization or attempt to monopolize trade and commerce in the transportation of steerage passengers between the United States and foreign nations, in violation of the provisions of the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraint and monopolies," and the acts amendatory thereof or supplemental thereto, either by agreeing or contracting together or with one another expressly or impliedly, directly or indirectly, as to the prices at which the said service of transportation of steerage passengers shall be rendered or as to a division of said traffic, or by agreeing or contracting together or with one another with a view to the imposition of any burden or limitation upon the service of transporting steerage passengers, or by contracting or agreeing together or with one another expressly or impliedly, directly or indirectly, to contribute to any pool or general fund any part of the proceeds of such transportation, or to maintain any such pool or general fund made from such contributions.

6. That upon the filing of this petition an injunction or restraining order be granted restraining the defendants, and each of them, in the manner expressly set forth in paragraphs 1 to 5, inclusive, of this prayer.

7. That your petitioner have such other further and general relief as to this honorable court may appear to be meet and proper.



8. To the end that said defendants may, if they can, show why your petitioner should not have the relief herein prayed for, and may, according to their best and utmost knowledge, remembrance, information, and belief, full, true, direct, and perfect answer make, but not under oath, answer under oath being hereby expressly waived, to each and all matters in this bill contained, and that as fully as if the same were here repeated paragraph by paragraph and they were specially interrogated thereunto severally, may it please your honors to grant to your petitioner a writ of subpoena and respondendum issuing out of and under the seal of this court, to be directed to said defendants, and each of them, commanding them, and each of them, on a certain day, and under a certain penalty to be therein inscribed, to appear before your honors in this court, and then and there full, true, direct, and perfect answer make to all and singular the premises herein set forth, and further to stand, to perform, and abide by such further order or decree as to your honors shall seem meet, and your petitioner will ever pray.

HENRY A. WISE,  
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*For the Southern District of New York,*  
*Solicitor for Petitioner.*

GEORGE W. WICKERSHAM,  
*Attorney General.*

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GOLDTHWAITE H. DOBB,  
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 JOHN W. H. CRIM,  
 FELIX FRANKFURTER,  
*Assistant United States Attorneys*  
*For the Southern District of New York,*  
*Of Counsel.*

#### EXHIBIT A.

##### AGREEMENT A.A.—CONTRACT.

Between the following transatlantic steamship lines, namely—

1. The Allan Line Steamship Co. (Ltd.), Glasgow.
2. The Anchor Line (Henderson Bros., (Ltd.), Liverpool.
3. The Cunard Steamship Co. (Ltd.), Liverpool.
4. Hamburg-Amerikanische Packet-fahrt Actien-Gesellschaft, Hamburg.
5. The Nederlandsch Amerikaansche Stoomvaart Maatschappij, Rotterdam.
6. Norddeutscher Lloyd, Bremen.
7. Soci  t   Anonyme de Navigation Belge Americaine (Red Star Line), Antwerp.
8. International Mercantile Marine Co. (except the Soci  t   Anonyme Belge Americaine, Red Star Line, in Antwerp), New Jersey.
9. Canadian Pacific Ry. Co. (Atlantic Steamship Lines), Montreal.

the following contract has this day been concluded:

##### ARTICLE 1.

The companies before named guarantee to each other the percental participation as defined and provided for in article 3 of this contract of the entire steerage traffic forwarded by the parties to this contract from all European ports to and via the United States of America and Canada and vice versa in vessels owned, leased, chartered, or controlled by them without regard to the flag. Excepted are Italian and oriental passengers forwarded by direct steamers through the Straits of Gibraltar. (Oriental passengers means passengers to or from Greece, Africa, and Asia.)

##### ARTICLE 2.

All passengers forwarded in any intermediate class between steerage and n, as defined in article 13, to be considered as steerage passengers in the and meaning of this contract.

*Commentary to article 2.*

(a) The word "cabin" in the sense of this contract is understood to mean the first and second cabin.

(b) Intermediate or even cabin passengers are steeragers unless they pay at least the lowest cabin fare, as defined in article 13.

(c) Steeragers once embarked by a line can not be counted a second time by the same line or any other line in case of transfers through accidents, etc.

**ARTICLE 3.**

The proportions in which the lines participate in the total transportation of steeragers in accordance with article 1 of this contract are fixed as follows (subject to the figures being checked) :

West bound:	Per cent.
1. The Allan Line Steamship Co. (Ltd.), Glasgow, for its United States services.....	0.62
2. The Anchor Line (Henderson Bros., Ltd.), Liverpool.....	3.40
3. The Cunard Steamship Co. (Ltd.), Liverpool.....	13.75
4. Hamburg-Amerikanische Packet-fahrt Actien-Gesellschaft, Hamburg.....	19.61
5. The Nederlandsch Amerikaansche Stoomvaart Maatschappij, Rotterdam.....	6.63
6. Norddeutscher Lloyd, Bremen.....	26.53
7. Soci�� Anonyme de Navigation Belge Americaine (Red Star Line), Antwerp.....	9.71
8. International Mercantile Marine Co.:	
White Star Line.....	8.60
American Line.....	6.68
Dominion Line.....	4.47
	100.00

East bound:	
1. The Allan Line Steamship Co. (Ltd.), Glasgow, for its United States services, and for its Canadian services (including Portland in the winter).....	4.95
2. The Anchor Line (Henderson Bros., Ltd.), Liverpool.....	3.93
3. The Cunard Steamship Co. (Ltd.), Liverpool, for its Liverpool services.....	12.77
The Cunard Steamship Co. (Ltd.), Liverpool, for its Flume-Trieste service, as per page 28.....	2.35
4. Hamburg-Amerikanische Packet-fahrt Actien-Gesellschaft, Hamburg.....	12.35
5. The Nederlandsch Amerikaansche Stoomvaart Maatschappij, Rotterdam.....	6.10
6. Norddeutscher Lloyd, Bremen.....	18.79
7. Soci�� Anonyme de Navigation Belge Americaine (Red Star Line,) Antwerp.....	8.56
8. International Mercantile Marine Co.:	
White Star Line.....	15.49
American Line.....	8.72
Dominion Line.....	1.50
9. Canadian Pacific Ry. Co. (Atlantic Steamship Lines).....	4.49
	100.00

The Cunard Steamship Co.'s Adriatic service, the Allan Line's Canadian services, and the Canadian Pacific Railway Co., Atlantic Steamship lines are not covered by this contract as far as westbound business is concerned, except for the conditions attached to the Cunard Steamship Co.'s Adriatic service as provided for on page 33.

**ARTICLE 4.**

If a line ceases to carry steeragers in the sense of article 1, its share of participation as fixed in article 3 will be divided among the other lines in proportion to the percental participation appertaining to each line according to article 3.

*Commentary to article 4.*

(a) In case a line ceases to exist or ceases to forward steeragers, the deposit made by such line as stipulated in article 17 will be returned to it after the expiration of six months, but only if and in so far as no claim lays against the deposit under this contract.

(b) If a line transfers its business in part or in whole to a successor, or if an amalgamation with another line takes place, the line so transferring business is bound to make it binding upon its successor to enter into this contract and to become a party to it with all the rights and obligations arising out of this contract, and the deposit made by the former line forthwith devolves upon the other line and stands valid on behalf of the latter.

## ARTICLE 5.

(a) If any of the lines are compelled by vis major to discontinue their entire service or even only their steerage service for longer than four weeks after its last sailing (the day of this sailing included) such line ceases to be a party to this contract from the date of its last sailing, but becomes a party to it again immediately upon the resumption of its service or even only of its steerage service.

(b) In the interval the participation quota of such line devolves pro rata of the participation as per article 3 upon the other lines.

(c) In case lines representing 40 per cent of the shares are compelled contemporaneously to discontinue their steerage services for longer than four weeks from their last sailing, the present contract to be suspended so long as such discontinuance of the service or services lasts, beginning from the last sailing.

*Commentary to article 5.*

(a) It was not considered feasible to closely define the conception of "vis major," inasmuch as the opinion generally prevailed that it would be impossible to exhaust all the eventualities which might in this respect arise.

(b) But it was unanimously thought that not only the blockade of ports, war, and similar events of a political or revolutionary kind should be comprised in the conception of vis major, but that also obstruction of ports by ice or from other causes, as for instance: If a narrow fairway should be completely closed up by a sunken vessel in or outside of a port, shall be considered as vis major. A cessation of a Canadian service during the winter season, when the St. Lawrence is closed, shall not be considered as coming under this clause.

(c) A line ceasing to be a party means, that the accounts are closed with it up to the day when the line had its last sailing, and a line becomes a party again, means that the accounts are re-opened with it from the day of its re-joining the contract, that is, from the day of its first sailing.

## ARTICLE 6.

(a) Any line or lines whose steerage transportation in a year exceeds in point of number the proportions fixed by articles 3 and 4 have to pay a compensation price of £4 for each passenger (soul) carried in excess of the established proportion.

(b) Such money to be paid to the line or lines who have not reached their participation quota and such payments to be made in proportion to the number of steeragers which each line is short.

*Commentary to article 6.*

(a) The stipulation of a compensation payment for each steerager carried beyond the proportion allotted by this contract forms one of the main features of the entire contract. The payment of such compensation is certainly not the intent and purpose of the contract, but it is the requisite means to deter the lines from following the tendency to exceed their proportion.

(b) The possibility ought not to be excluded to effect alterations with regard to the figure of £4 in the event of it becoming evident, that from extraordinary causes, the stipulated compensation proves to be too low or too high for the purposes of this contract.

(c) If for instance the steerage rates by any line should fall below £4, the compensation price of £4 was considered excessive for the purpose of this contract.

(d) It was therefore agreed that the compensation can be advanced and lowered by a majority of the lines representing at last 75 per cent of the shares as fixed in article 3.

(e) It was, however, understood that alterations of the compensation price can in no case be decided otherwise than to take effect at the beginning of the next week.

#### ARTICLE 7.

The compensation price fixed by article 6, as also the statistics relating to the transportation of steeragers, is in all cases based upon the number of persons or souls, so that children and infants always count as full passengers in the sense of this present contract.

#### *Commentary to article 7.*

The stipulation contained in this article was deemed necessary in view of the fact that if for children and infants certain fractions of the rate for adults were to be reckoned, the accounts would be unduly complicated.

#### ARTICLE 8.

(a) Provisional compensation accounts to be prepared monthly by the Secretary who has to direct the party or parties in excess of their share with regard to the amount of compensation to be paid by them. Such payments have to be effected within a fortnight after receipt of the secretary's notice.

(b) Final settlements will be made at the end of each calendar year on the basis of a compensation account prepared by the secretary comprising the entire year. Objections against this final account to be made within four weeks, falling which the accounts shall stand.

(c) Objections to the correctness of the accounts form no release from the obligation to effect the provisional settlement.

#### *Commentary to article 8.*

No comment needed.

#### ARTICLE 9.

Each line undertakes to arrange its services in such a manner that the number of steeragers which it actually carries corresponds as nearly as possible with the number allotted to it by this contract.

#### *Commentary to article 9.*

As already explained in the comment to article 6, the payment of the compensation moneys is not the object of this contract, but merely the means of deterring the lines from endeavoring to exceed their participation quota.

#### ARTICLE 10.

(a) For the purposes of the compilation of the compensation accounts all the lines have to furnish to the secretary every 7th, 15th, 23d, and last day of a month their statistics of the steeragers and also second-cabin passengers carried by them in the week ending with these respective dates and the destination of the steamers.

(b) A fine of £5 shall be imposed upon any line delaying the delivery of the statistics for more than three days.

(c) The secretary has to furnish to the lines weekly the statistics of the passengers carried, and monthly a statement showing the position of the lines versus each other, and not later than on the 15th of each month for the preceding month.

#### *Commentary to article 10.*

No comment needed.

#### ARTICLE 11.

(a) In case the results thus obtained show that any of the lines have exceeded their proportion or have remained below it, such line is entitled and in duty bound to adopt measures calculated to bring about a correct adjustment.

But before putting such measures into operation, the line is bound to inform the secretary of the measures proposed to be adopted.

(b) The other lines are entitled to await what result the measures taken produce, or in so far as they represent 75 per cent of the shares they may direct other or more forcible measures, which can only refer to rates to be set in motion. In the latter case the lines are bound to put such measures into force without delay and without demur.

*Commentary to article 11.*

(a) All parties were unanimously of the opinion that the adjustment is, whenever practicable, to be effected not by reducing the rates of one line but on the contrary by raising the rates of one or several of the lines.

(b) No line to be compelled to fix its gross rate per adult steerage at less than £5 or more than £8.

(c) It was expressly understood that there is to be no appeal against the decisions taken by such majority of 75 per cent, as such decisions will in all cases be solely in respect to questions of rate.

(d) Even in case the lines themselves do not propose the adoption of measures, a majority of the lines representing 75 per cent of the shares can immediately proceed to take measures, as for instance: They may direct that the rates shall be raised or reduced.

(e) In all cases under this contract where percentages have to be taken into consideration, it is understood that in questions on west-bound business the west-bound percentages, in questions on east-bound business the east-bound percentages, and in general questions the mean of the west and east bound percentages of each line shall apply.

ARTICLE 12.

No line has the right to alter its steerage and second-cabin rates without having previously informed the secretary.

*Commentary to article 12.*

No comment needed.

ARTICLE 13.

(a) Unless there is a second-class rate agreement, the lowest second-cabin rates of any line west bound must be at least £2, and east bound at least \$10, higher than the highest normal third-class rates of the respective steamer. In case a continental line should carry third-class and steerage passengers, the basis for fixing its second-class rate shall be its steerage rate.

(b) The lowest prepaid cabin rate in America of any of the lines must be at least equal to the lowest cabin rate of the same line on this side.

*Commentary to article 13.*

(a) The word cabin is also here, as in article 2, understood to comprise both the first cabin and the second cabin.

(b) If a line has fixed and published its second-cabin tariff it can not be compelled to change this tariff during the current season, whatever changes in the steerage rates may occur. Each line shall indicate to the secretary when its seasons commence and end, and also indicate the rates.

(c) The rate of exchange with regard to cabin rates is fixed for dollars at 4 marks or 4 shillings.

ARTICLE 14.

(a) The lines undertake to pay out of the gross steerage rate a commission to their agents which must not exceed in Great Britain 6/- per adult to ordinary agents, or 9/- to general agents, or on the Continent not more than 15/- for a full steerager, or 12 kroners in Scandinavia or 17 Finnish marks in Finland.

(b) The maximum commission for second-cabin passengers per adult in Great Britain to be not more than 5 per cent, with a minimum of 9/- to ordinary agents, or 13/8 to general agents, and on the Continent a maximum of

6 per cent, but each line is entitled to grant a minimum of 15 marks on a single trip per adult.

*Commentary to article 14.*

In respect to the question as to who is to be considered as agent of a line, and more especially also whether the so-called town agents are comprised in the term of agent, it was unanimously decided that as agents in the sense and meaning of the contract only such agents are to be considered who are regularly appointed by a line. In the case of the British lines any agent appointed by their head agents at the ports shall be considered as a firmly engaged agent of a line.

ARTICLE 15.

The cash steerage rates and the American prepaid rates shall be established on the following equivalence:

M.	Dollars.	M.	Dollars.
100 -----	24½	160 -----	38½
110 -----	27	170 -----	41
120 -----	29½	180 -----	43½
130 -----	31½	190 -----	45½
140 -----	34	200 -----	48
150 -----	36½		

*Commentary to article 15.*

(a) It was not thought necessary to make any stipulation in respect to the rate of commission to be paid to agents in America for prepaids, so long as the rates of commission on the other side are fixed by the continental conference and/ or the North Atlantic Conference, but it is agreed that in no case the sub-agents' commission shall exceed \$2 or the head agents' commission \$3, and the names of such head agents shall be scheduled with the secretary of the continental conference and/ or North Atlantic Conference in New York and with the secretary of the Atlantic Conference.

(b) It was agreed that with a view to regulate the question in respect to the European inland transportation in connection with the prepaid business, each line may issue a tariff containing not more than 300 stations, showing the cost of transportation from such stations to the port of embarkation. No commission shall be allowed on these European inland rates.

ARTICLE 16.

(a) The lines undertake to comply with article 8 of the "General Rules, third series, of the continental conference," which reads as follows:

"No circulars or publications shall be issued by any line reflecting upon or instituting comparisons with any conference line unfavorable to the latter, and no party hereto shall support any newspaper which may systematically attack any conference line."

(b) They further undertake to send to the secretary any printed matter and circulars sent to agents in relation to the steerage business, so far as such matters are not of purely internal nature.

*Commentary to article 16.*

(a) In view of the fact that the stipulations referred to in this article of the continental conference have stood the test of many years' practical working, it was decided not to alter anything with regard to such stipulations of the continental conference, but it was agreed that the words "support any newspaper" are more especially understood to mean that no advertisements are to be given to such newspaper.

(b) It was furthermore decided that all the lines shall be responsible for their agents and employees or other representatives in this sense, that the lines are bound not only immediately to dismiss an agent, etc., who in respect to another line has disregarded the stipulations of article 16, but that all the lines are also bound to break off all and every direct or indirect business connection with such agent.

(c) An agent, etc., who has thus been dismissed must not be engaged by any of the other lines, nor are they allowed to have any business connection, directly or indirectly, with such person.

ARTICLE 17.

For the faithful performance of the conditions of this agreement, the parties deposit with the secretary a promissory note in the amount of £1,000 for each per cent proportion.

This note is not payable if it is accompanied by the award of an arbitrator, provided for in this agreement, or by the award of another arbitrator, agreed upon by the parties at difference.

*Commentary to article 17.*

No comment needed.

ARTICLE 18.

(a) The sum deposited shall be considered the amount of liquidated damages, and thus entirely forfeited if the line who made the deposit unduly withdraws from the present contract before its expiration or if the line resorts to actions which render the continuance of this present contract impossible, and which are, therefore, to be considered equivalent to a withdrawal from this present contract, as for instance:

(b) Refusal to pay compensation money, or failure to replenish the deposit in due time, or assisting directly or indirectly a new opposition line, or starting or assisting a line whereby the business as defined in article 1 would be seriously interfered with.

*Commentary to article 18.*

No comment needed.

ARTICLE 19.

In the event of a deposit being declared entirely forfeited the line or lines who have claims to compensation will, in the first instance, receive satisfaction out of the same pro rata of their claims. Any remaining surplus will be divided amongst all lines, excluding the line the deposit of which has been declared forfeited, proportionate to their participation quota.

*Commentary to article 19.*

No comment needed.

ARTICLE 20.

(a) Penalties in case of contravention against or infraction of any stipulations of this contract shall be fixed by the arbitrator, but in no case shall such penalties exceed the amount deposited by the party at fault.

(b) The amount of penalty to be in each case not less than £250 for each contravention or infraction, except as provided for in article 10.

(c) In case of the contravention or infraction being made willfully and designedly, especially in case of any willful and intentionally incorrect statement or declaration in respect to statistics, the penalty shall not be less than £2,500.

(d) The sums accruing from penalties are to be divided amongst the other lines in the same manner as provided for at the end of article 19.

(e) Unless the penalty be paid to the secretary within eight days after the line concerned has received the relative reward, the deposit will be drawn upon up to the amount of such penalty.

*Commentary to article 20.*

It was thought that a penalty of £2,500 for each case might in case of systematically incorrect statements amount to such an extravagant sum that it would be impossible to recover it, or that the deposit would be entirely exhausted thereby; hence this stipulation, that in such cases the penalty need not be applied to each case separately, but is fixed at £2,500 minimum, which allows that a higher amount can be fixed according to the gravity of the in-

fraction, the number of cases involved, as well as the length of time during which the infractions and contraventions have been practiced.

## ARTICLE 21.

In the event of a deposit having been dealt with the same must within 14 days after the day on which it has been so dealt with be replenished up to its original amount.

*Commentary to article 21.*

The replenishment of the deposit shall be effected by the lines without their having been called upon to effect such replenishment. The notes required to replenish the deposit are to be transmitted to the secretary in the same manner as stipulated in article 17. The secretary is bound forthwith to arrange for the notes so received being immediately deposited with a bank. As stipulated in article 18, the remainder is entirely forfeited if the deposit is not replenished in due time.

## ARTICLE 22.

(a) Other lines can be admitted to the present contract, and the terms and conditions of the latter can be altered and new terms and conditions can be added thereto, but only by the unanimous vote of the lines unless otherwise provided for in this contract.

(b) All alterations and additions made in respect of this present contract, to be valid and binding upon the lines, parties to this present contract only when all the lines have given their written consent to such alterations and additions.

*Commentary to article 22.*

No comment needed.

## ARTICLE 23.

(a) The execution and control of the fulfillment of the stipulations of the present contract are confided firstly to the secretary, secondly to the arbitrator.

(b) The secretary must be a person entirely and in every respect independent of any of the parties to this present contract. The secretary shall be appointed or dismissed by a majority of the lines representing 75 per cent of the shares. Mr. H. Peters at Jena is hereby appointed as secretary.

(c) Among his duties are: To receive the statistical statements, to examine the same as also the accounts, for which purpose the secretary shall have access to the passenger offices of the lines and can there examine all books, correspondence, etc., so far as he may deem it practicable; to communicate the statistics and accounts to all the lines concerned, and act as mediator in general in the transactions between the lines themselves, so far as such transactions appertain to matters relative to this contract: wherefore, the secretary has also to see that all lines receive regularly and simultaneously all necessary information; to control the steerage prices in accordance with article 11; to collect the payment of the penalties; to call the meetings of the lines according to article 25 and keep the minutes of these meetings; to effect the compensation accounts.

(d) It shall be the duty of the secretary to use every exertion to settle difficulties amicably.

(e) The expenses of the secretary are to be paid by the lines in proportion to the mean of the percentages allotted to each, according to article 3, but the salary of the secretary shall be paid by the lines in equal parts.

(f) There is no objection to the British lines sending their statements and reports through the secretary of the North Atlantic Passenger Conference in Liverpool.

## ARTICLE 24.

All parties mutually agree that any dispute or claims between any of them, or between any one or more of them, and the rest of them arising under this agreement, shall be settled by arbitration as follows:

(a) Arbitration proceedings, unless the parties in dispute agree otherwise, shall take place alternately in England and Germany; to commence with England.



(b) Notice in writing of intention to prefer a claim shall be given in reasonable time to the party complained of, signed by or on behalf of the complaining party, and stating the nature and also particulars of the claim. Such notice shall as to any party hereto be deemed properly served if sent by post, prepaid, in a registered letter, duly addressed to the principal office in England of such British or American line and to the principal office on the Continent of such continental line, and shall be deemed to have been delivered in the ordinary course of post. Copies to be sent to the secretary, who has to inform the other parties.

(c) Unless the disputing parties mutually agree to the appointment of a single arbitrator within 14 days from the date of the aforesaid notice, each party shall, without delay, appoint in writing an arbitrator to act on his behalf, and the two arbitrators so chosen shall appoint an umpire. In case they can not agree upon the umpire, the latter to be nominated by the president of the board of trade, if the arbitration takes place in England, and by the president of the hanseatic court of appeal in case the arbitration takes place in Germany.

(d) Should either of the parties fail to appoint an arbitrator within 21 days after notice of the intended reference has been given, and for 7 days after service upon him or them of notice in writing by the other disputing party or parties appointing his or their arbitrator, then the one arbitrator who has been chosen may, if so required by the party or parties who appointed him, proceed to act as sole arbitrator in the reference, whether the party failing to appoint an arbitrator appear before him or not, and the decision of such sole arbitrator shall be final and binding.

(e) The arbitrator or arbitrators shall alone have power to determine whether any claim preferred comes within the terms of this agreement, and also as to which of the parties shall pay the costs of the reference.

(f) The arbitrator or arbitrators shall take into consideration whether from the circumstances disclosed it appears that proved breaches are isolated offenses, or whether they are incidents in a systematic violation of this agreement, and shall impose damages accordingly.

(g) The damages for breach of this agreement shall be imposed by the arbitrator, having due regard to the stipulations in article 20.

(h) Damages shall be payable within eight days from the date of the notification of the award.

(i) Each party hereto agrees that the amount of any fines or damages to be imposed upon him or them by the arbitrator or arbitrators as above provided shall be treated as the liquidated and ascertained damage for the breach of this agreement complained of and not in the nature of penalty or under any circumstances be regarded otherwise than as the true and ascertained damages resulting from the breach, and each party hereby irrevocably declared himself finally stopped from raising any contrary contention.

(k) The arbitrator or arbitrators shall, notwithstanding they may have made and published an award, have power to reopen and reconsider the same and to hear further evidence and to make a fresh award, provided cause be shown satisfactory to him or them within one week after the award is first made and published; or if the arbitrator or arbitrators see cause to extend the time, then within three weeks of the issue and publication of the said award. The award of the arbitrator takes the place and is equivalent to a legal judgment given by the highest instance of any law court against which all right of appealing is exhausted, and it is expressly understood that all the parties to this present contract relinquish all and every right to employ against the award given any legal means of whatever name or description such legal means may be.

(l) Any disputes arising under this agreement shall be settled according to the law of the country in which the arbitration takes place, wherever the domicile, residence, or office of business of the parties to this agreement may be or may become.

(m) In case of arbitration taking place in England, all and singular the provisions of the arbitration act, 1889, or any statutory modification or amendment thereof for the time being in force, shall be applicable.

(n) In case of arbitration taking place in Germany the German law will apply, but the manner in which the arbitrator thinks proper to take the evidence of the parties and of the witnesses who may have to be heard, as also the modus which he adopts in ascertaining the facts of the matter at issue, are left entirely to his conscientious decision, and it is expressly understood that he is not bound to the observance of the rules in operation in respect of any legal procedure.

*Commentary to article 24.*

No comment needed.

## ARTICLE 25.

(a) Meetings are convened by the secretary. Such meetings to be held alternately at London and at Cologne, to commence in Cologne.

(b) Regular meetings shall be held on the first Thursday of March and December.

(c) Special meetings shall take place within 21 days if the majority of the lines demand same, within four weeks if demanded by two of the lines, and within five weeks if demanded by only one line.

(d) The subject or subjects to be dealt with in such meetings to be notified by the secretary to all the parties concerned not less than 11 days before the date on which the meeting is to take place.

(e) At meetings thus convened the party or the parties present shall form a quorum irrespective of the number.

(f) Resolutions can not be taken upon any subjects which have not been duly notified to all the parties concerned unless all the parties to this contract are represented at such meetings and agree.

(g) Resolutions on subjects transmitted by the secretary to the lines can also be taken by a vote given in writing, provided no line objects to such manner of voting.

(h) Minutes shall be written at all meetings, the same to be signed at such meetings by all the parties present and minutes so written and signed shall stand as a true record of the proceedings and shall be considered final.

*Commentary to article 25.*

Each line demanding a meeting in doing so has to communicate to the secretary the subjects which the line proposes for discussion. Each line can propose additions to these subjects, provided such additions are forwarded to the secretary so as to be in his possession at least five days before the meetings.

## ARTICLE 26.

(a) It is understood that in all cases in which resolutions have to be taken in respect to existing differences of opinion as to the terms and conditions of this present contract as also in the case of all decisions by the lines or by the arbitrator, not only the tenor, but also more especially the spirit of this present contract is to be taken into consideration.

(b) For this purpose there have been appended to the various articles commentaries with expositions and it is understood that same are to be considered to their full extent to form an integral part of this present contract.

## ARTICLE 27.

(a) This present contract has been concluded for the period from March 1, 1908, to February 28, 1911, and shall after this latter date continue from year to year unless due notice be given to the secretary not later than on December 1 of the intention of terminating same at the end of the next February, namely, in the first instance on December 1, 1910.

(b) The withdrawal of any line from the present contract releases the other lines from all obligations except, from the obligation to pay the compensation accounts incurred under this contract up to the date of such withdrawal, unless the latter agree among themselves to continue the present contract under the same or under altered terms and conditions.

*Commentary to article 27.*

No comment needed.

## ARTICLE 28.

In these presents, unless there be something in the subject or contents inconsistent therewith:

"Year" means a calendar year.

"Weeks" means the period for the 1st-7th, 8th-15th, 16th-23d, 24th to the last day of the month.

"In writing" means by telegraph, by writing, or by print word.

"Lines" means parties to this contract.

"Notifications and communications" means in writing, never verbally; notifications and communications count from the day they have been dispatched.

"Vote" means open, not secret.

*Commentary to article 28.*

No comment needed.

London, February 5, 1908.

Hamburg-Amerika Linie:

(Signed) BALLIN.

Norddeutscher Lloyd:

(Signed) HEINEKEN.

For the I. M. M. Co. and other than the Red Star Line:

(Signed) J. BRUCE ISMAY.

Subject to the reservation that if the Canadian Pacific Railway Steamship Lines do not accept the percentage proposed for them—i. e., the basis of 1906 and 1907 combined—for the east-bound pool, nothing in this agreement shall be binding on the Allan Line Steamship Co.

For the Allan Line Steamship Co. (Ltd.):

(Signed) HENRY ALLAN.

For the Cunard Steamship Co.:

(Signed) WILLIAM WATSON.

For the Anchor Line (Henderson Bros.) (Ltd.):

(Signed) RICHARD HENDERSON.

For Holland-America Line:

(Signed) REUCHLIN.

Red Star Line:

(Signed) ED. STRASSER.

The Canadian Pacific Railway agree to become a party to the above contract as far as east-bound business is concerned and to accept 4.60 per cent as their share of the total east-bound traffic, as per article 1, inclusive their own carryings, but exclusive Cunard Line's Fiume service. If Cunard Line's Fiume service is included and if shared by all lines the Canadian Pacific Railway share of 4.49 per cent will be accepted.

The Canadian Pacific Ry. Co. (Atlantic Steamship Lines):

(Signed) ALLAN CAMERON.

*East bound.*

The Continental Lines propose that the Cunard Line, Fiume-Triest service, joins the Atlantic Conference for all non-Italian passengers on basis of their average carryings 1906 and 1907.

(London, 5th February, 1908.)

For the Cunard Steamship Co. (Ltd.):

(Signed) WILLIAM WATSON.

Hamburg-American Line:

(Signed) AD. STORM.

Holland-America Line:

(Signed) REUCHLIN.

Norddeutscher Lloyd:

(Signed) V. HELMOLT.

Red Star Line:

(Signed) ED. STRASSER.

le. Genl. Transatlantique:

(Signed) CH. TATTET.

## EXHIBIT B.

[Speech of Hon. William E. Humphrey, of Washington, in the House of Representatives, Thursday, June 16, 1910.]

## FOREIGN SHIPPING CONFERENCES, POOLS, AND RINGS.

To-day 90 per cent of our foreign trade, amounting to \$3,500,000,000 annually, is carried by foreign ships, belonging to conferences, pools, and combines. Between these ships there is no competition. They fix freight rates by agreement. They combine to destroy any line outside of the conference. They give special rates and other advantages to the Standard Oil Co., the Steel Trust, and the harvester combine. The rate that every passenger must pay and the rate that every pound of freight must pay between here and Europe and between here and South America is fixed in advance in Jena, Germany. This foreign ship combine is the most gigantic trust in the world. The commerce of the United States is absolutely at its mercy.

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 26730) making appropriations to supply deficiencies in appropriations for the fiscal year 1910, and for other purposes—

Mr. HUMPHREY, of Washington, said:

Mr. CHAIRMAN: Day before yesterday I introduced a resolution calling for an investigation of certain foreign shipping rings, conferences, pools, and combinations; also to ascertain whether or not any American lines belonged to these combinations.

I have here before me this morning one of the most remarkable publications, in my judgment, that has ever been printed. It is called Report of the Royal Commission on Shipping Rings, and is the report of a special commission appointed by the order of the King of England to investigate the plans and methods of the various shipping "rings," "conferences," and "combinations" throughout the world.

Why the existence of this publication has heretofore been practically unknown, and why it is that the newspapers and magazines of this country have said little or nothing about it is beyond my explanation, beyond my understanding.

For several years I have suspected, from various items of information received from investigations and from newspapers, especially foreign publications, that the great ocean lines of vessels, both steam and sail, running to and from this country, were in combination; that between all the principal lines of the world there was an understanding; that there was no competition; and that freight rates were fixed by agreement between the various lines.

The evidence taken before this royal commission and published in these volumes which I have here establishes fully all these facts.

We are, even now, engaged in passing a bill intended to prevent monopoly and other kindred evils practiced by the railroads that will protect the people from unjust discrimination. The whole country is interested in this legislation; the public has been brought to the verge of hysteria on this question by the press; the yellow magazines and muckrakers have reveled in it; yet in these volumes of this investigation of the foreign shipping "rings" is told a story of pooling, rebating, discrimination, and of combination to raise prices and to prevent competition far more interesting and more shameful than has ever been written by the most sensational magazine writer.

But not a word of this story, so far as I know, has ever been printed in any of the newspapers or magazines of America. Why is this true? It is all contained in public documents of England, accessible to everyone.

Had a single little insignificant railway line in America been guilty of a single one of the many practices admitted to be the common method of all of these great shipping "rings," the press of this country would have emblazoned it from one end of the land to the other. We grow hysterical over domestic trusts and corporations, but we endure with supreme complacency these same evils when they are perpetrated under a foreign flag, by foreigners, at our expense, for the benefit of foreign countries.

## FOREIGN TRADE.

The foreign commerce of this country for the year 1910 will approximate \$3,500,000,000. Of this vast sum, more than 90 per cent will be carried by foreign ships at an agreed price fixed, not between the shipper and the shipowner, but a price arbitrarily fixed by the different shipping lines themselves, without consultation and without any regard whatever as to the wishes or the desires of the shipper. More than 90 per cent of that vast amount of products will be carried by foreign ships between which there is not the slightest

competition, but between which there is a mutual agreement and understanding as to the rates that shall be charged upon both freight and passenger traffic.

Mr. GARRETT: Mr. Chairman, will the gentleman yield to me for a question?

Mr. HUMPHREY of Washington. Yes.

Mr. GARRETT. The testimony to which the gentleman has referred is in reference to the South American lines, is it not?

Mr. HUMPHREY of Washington. No. The testimony is as to shipping lines throughout the world.

Mr. GARRETT. The gentleman has been referring to testimony taken before the committee on investigation.

Mr. HUMPHREY of Washington. Oh, no; I am referring to testimony taken before "the royal commission on shipping rings," of England, that investigated the fact as to "shipping rings" throughout the world.

Mr. GARRETT. I beg the gentleman's pardon.

Mr. COOPER of Wisconsin. What is the date of that report?

Mr. HUMPHREY of Washington. The report was filed May 18, 1909.

Mr. KITCHIN. I ask simply for information. Is the American shipowner in this pool, too?

Mr. HUMPHREY of Washington. I have no direct evidence of that, but I have information that convinces me that they are.

Mr. KITCHIN. This is a world combination.

Mr. HUMPHREY of Washington. I think American ships are in it also.

Mr. HARDY. Will the gentleman yield for just another question?

Mr. HUMPHREY of Washington. Yes.

Mr. HARDY. Is it not a generally known fact that the rates of shipping by way of coastwise vessels from New York, say to Galveston, are from two to five times the rate on the same class of goods from Liverpool to Galveston by foreign ships?

Mr. HUMPHREY of Washington. I do not know whether that is true or not. Personally, I do not believe it.

Mr. HARDY. I would like to be permitted—

Mr. HUMPHREY of Washington. You can state it on your own authority; but I do not intend to be placed in the attitude of admitting it.

Mr. HARDY. On my authority I state that I have information that such is the fact.

Mr. HUMPHREY of Washington. All foreign ships running between here and Europe, between here and South America, between here and South Africa, and between here and the Orient are formed into different combinations, conferences, or pools. These conferences are grouped according to ports, and all lines running over the same route or that would in any way come in competition are formed into one conference. These conferences fixes the traffic rate for the different lines that compose them. They agree that there shall be no competition between the lines in the conference. Further than this, each line agrees that if any outside line attempts to enter the trade all the conference lines will combine and destroy it. It is further provided, however, that if a new line is found to be too strong to be driven out then this line shall be taken into the conference.

All these conferences practice what they call the "deferred" system of rebates. That is, after a period of from 6 to 18 months these lines pay to their customers a rebate of from 5 to 20 per cent, provided, however, that these customers have done everything that they require of them. These rebate contracts are usually in writing and many samples of them are published in these volumes. The lines require that the shipper must not, either directly or indirectly, patronize any line outside of the conference; he must send freights from the port designated by the conference, in the amount designated; he must not send freight to another port, even if he patronizes the same ship, no matter how much cheaper it may be for him; and he must not refuse to continue to patronize the conference lines if they raise freight rates, even if this be done without his notice and without his consent.

To do any of these things causes the shipper to lose his rebate. These conferences justify all these methods because, as they say, it is necessary to do this to "fix" the shipper. To the average American mind, certainly the shipper who is in their clutches is not only "fixed," but, like the fellow's monkey, he is in a "hell of a fix."

By this method these foreign shipping combines have "fixed" the trade between here and the South American countries until South American countries pay from us only about 5 per cent of what they import. In 1908 the imports

into the harbor of Buenos Aires amounted to \$661,000,000. Of this amount only \$33,000,000 came from the United States. Rightfully 75 per cent, instead of less than 5 per cent, belongs to this country.

I want to call the attention of my distinguished friend from Tennessee [Mr. Garrett] to some of the following facts with which he is more or less familiar.

By these methods these foreign shipping combines have "fixed" the trade of the United States until it is absolutely at the mercy of foreign ships and foreign competitors.

These conferences refuse not only to pay rebates to the disloyal shipper, but, once he disobeys instructions, they will not thereafter carry his products.

"These various "conferences" cover the entire world. The methods pursued by them all are the same; they vary only in detail.

#### SOME AMERICAN "CONFERENCES."

We are, however, especially concerned with the conference that include the lines running to and from the United States.

The conferences including the lines on the Atlantic Ocean are controlled by English and German lines; on the Pacific Ocean, by Japanese, English, and German lines.

The details concerning most of these conferences throughout the world, giving the name of each one, the lines that compose them, and the system of rebates practiced by them, are published in these volumes of the royal commission's report.

These tables and other extracts from this report I shall publish in the Record, and, whether or not the Members of this House shall pay me the compliment of reading my speech, I trust that they will read these quotations.

These great conferences between here and Europe not only fix freight rates by agreement, not only agree to fight any competitive lines, not only give rebates and practice other discriminations, but these lines are in a vast pool. The lines between here and Europe are formed into three pools. The first is known as the continental pool, representing all lines running regularly between the United States and European ports outside of the Mediterranean; second, the Mediterranean pool, consisting of all lines between the United States and Mediterranean ports; and, third, the British pool, consisting of all lines running between the United States and ports of Great Britain and Ireland.

These pools consist, in addition to others, of the following lines:

#### CONTINENTAL POOL.

Line.	Manager.	Address.
French Line.....	Paul Faguet.....	19 State Street, New York.
Holland-American Line.....	A. C. H. Nyland.....	39 Broadway, New York.
Hamburg-American Line.....	Emil L. Boas.....	45 Broadway, New York.
North German Lloyd Steamship Co.	Gustav H. Schwab.....	5 Broadway, New York.
Scandinavian-American Line.....	A. E. Johnson & Co.....	1 Broadway, New York.
Russian-American Line.....	A. E. Johnson & Co. and Max Strauss.	27 Broadway, New York.

#### MEDITERRANEAN POOL.

Cunard Steamship Co.....	Chas. P. Sumner.....	24 State Street, New York.
French Line.....	Paul Faguet.....	19 State Street, New York.
Hamburg-American Line.....	Emil L. Boas.....	45 Broadway, New York.
North German Lloyd Steamship Co.	Gustav H. Schwab.....	5 Broadway, New York.
Austro-American Steamship Co....	Phelps Bros. & Co.....	17 Battery Place, New York.
Veloce.....	Bolognesi, Hartfield & Co., Wm. Hartfield, president.	52 Wall Street, New York.
Lloyd Sabudo.....	Cesare Conti.....	35 Broadway, New York.

#### BRITISH POOL.

Cunard Steamship Co.....	Chas. P. Sumner.....	24 State Street, New York.
Anchor Line Steamship Co.....	Genderson Bros.....	19 Broadway, New York.
International Mercantile Marine..	P. S. Franklin.....	9 Broadway, New York.
Allan.....	H. & A. Allan.....	110 State Street, Boston.

Each of these pools places a portion of its earnings in a common fund, and that fund is then divided among the different lines according to the basis previously agreed on by the conference, regardless of the earnings of each line.

The headquarters—the home office—of these pools is at Jena, Germany. Its secretary is Mr. Peters. Here is where the bulk of the business of all of these pools is transacted. Here the rates of both passenger and freight traffic are agreed on; here the different plans for the conduct of the business are made; and here each month the different representatives meet and divide the spoils—the tribute levied on the American shipper.

These foreign steamship lines, comprising the various conferences and pools that run to America, have their agents and representatives in this country. They own terminal facilities and other property at Jersey City, Hoboken, and in New York and in other cities of this country of great value. It seems to me, as a question of law, under these facts, that these companies are within the jurisdiction of our courts. However, up to this time, the Interstate Commerce Commission have decided that they have no authority to prohibit the practices followed by these conferences, as regards any case that has been presented to them. Many of these questions were raised in a case brought by Peter Wright & Sons, agents of the Cosmopolitan Shipping Co., Philadelphia, against the Hamburg-American Packet Co. et al. Demurrer to the complaint in that case, on the ground that the commission had no jurisdiction, was sustained. It is worthy of comment that the chief counsel of this great monopoly is the Hon. John C. Spooner, formerly United States Senator. It might also be worthy of recollection that Senator Spooner, a short time before he resigned from the Senate to accept this employment, strenuously opposed the passage of a merchant-marine bill.

Not only do these conferences pool their earnings, but they have divided the United States into different zones. Not only do they fix the rate of freight across the Atlantic, but they also fix the rates on freight originating at inland points in the United States, and they fix the rate on freight going to inland points of the United States. They fix the rate from Chicago to Europe, and from Europe to Chicago. Further than this, they direct through what ports inland freight shall come and go. They tell the shipper of Cleveland whether he shall send his goods for Europe through the port of Boston, New York, Baltimore, Philadelphia, Norfolk, or Newport News. They tell the shipper of goods from Europe to St. Louis, and from St. Louis to Europe, through what port he shall send them.

Moreover, this combine of foreign ships, working with the railroads of this country, will send a ton of crockery from Germany to Denver for less than the same railroad will carry a ton of the same product from Pittsburg to Denver. They will send a case of beer from Germany to Salt Lake City for less than the same railroad will carry a case of beer from Cincinnati to Salt Lake City.

Of what protection is our tariff to the manufacturers of this country against such discrimination practiced by these foreign trusts? Of what use will our new railroad law be to prevent monopoly and discrimination so long as these things continue?

Of course, we would not for a moment permit such discrimination by the railroads of this country on any American product, but we smilingly submit to this discrimination against the American producer in favor of the foreign producer.

Not only do these conferences pool as to the freight, but also as to the passenger traffic. This combine of foreign ships sends thousands of poor, ignorant immigrants to this country on slow, inferior ships to Baltimore and Philadelphia, who have paid for a passage on faster and better ships to the port of New York City. This is especially true of what is known as the prepaid traffic. Here is a matter that I call to the attention of the Immigration Commission for their investigation.

There is not a single passenger carried between this country and Europe, not a single pound of freight carried between this country and Europe by any regular line, for the carrying of which there is the slightest competition. The price is fixed in advance at Jena, Germany, for the carrying of every passenger and for the carrying of every pound of freight.

Mr. GARRETT. I think it is fair to state that it has been testified before the Steenerson committee, as the gentleman calls it, that the testimony shows that in the days when there was a subsidized line running to South America the freights were 60 per cent higher than they are now.

Mr. HUMPHREY of Washington. I will come to that later. If such testimony has been given, it is misleading entirely. It is not a question anyway of freight

rates particularly that I am discussing now, it is a question of combinations and pools, to which the entire commerce of this country is subjected. There is no dispute about this being true. I want to take this occasion now to say to the members of the Rules Committee that I undertake to furnish them full and satisfactory evidence of every statement that I shall make on the floor to-day, and what I do not have in the shape of records I will furnish them by witnesses. I will now take up the trade to South America to which the gentleman from Tennessee refers.

#### BETWEEN HERE AND SOUTH AMERICA.

The main conferences between here and South America are the River Platte, Central Brazil, North and South Brazil, and Minor Brazil conferences. The names of the various lines composing these conferences and the amount of rebate paid by each is set forth in volume 2, appendix 1, page 8, of the "Royal Commission Report on Shipping Rings." This I will publish with my remarks. (See Exhibit A.)

These particular conferences usually pay rebates of from 5 to 10 per cent, and the time is from 6 to 18 months—on the same conditions as the other "conferences" heretofore mentioned. Most of their contracts have in them a condition to the effect that these rebates must be paid to some representative in Europe.

The principal lines in these South American "conferences," running from the United States to South America, are the Lamport & Holt, Hamburg-American, Quebec, Royal Dutch West India Mail, Trinidad Shipping & Trading Co., Brazilian Lloyd, Prince, Booth, Barber, Howard, Houlder & Partners, Norton, and Houston lines.

The lines running between United States and South America in these various conferences consist of slow and antiquated vessels, out of date in every respect, and used on these lines largely because of the fact that they can no longer be used in the trade between Europe and South America.

The Lamport & Holt line has one vessel that makes about 13 knots an hour. This is the finest vessel running between here and South America—the vessel that these foreign lines have advertised so extensively. This vessel will run from Buenos Aires to New York in from 25 to 30 days in ordinary weather. This crack vessel of the South American conference is of a character on which the ordinary American citizen would not travel except as a matter of necessity.

The service between Europe and South America is incomparably better than the service between the United States and South America—and let it be remembered that the service between this country and South America and between Europe and South America is furnished by the same combination of foreign ships belonging to the same foreign countries. But, for the slow and inadequate service in inferior ships between this country and South America, the freight and passenger rates are considerably higher than they are between South America and Europe, in modern and up-to-date vessels.

Let me give some facts as to the service we have been hearing so much about in the newspapers between here and South America, and that the gentlemen, some of them, before the Steenerson committee, have been praising.

The freight rate between this country and South America, in these antiquated and slow vessels discarded from other trades, is the highest ocean rate in the world.

It takes from one to three months to get a newspaper from the United States to South America, and even in this slow service there is no regularity whatever. To illustrate: McClure's Magazine for January, February, and March, 1910, all arrived at Buenos Aires at the same time—the last of April.

It takes from three to eight months to get an order from South America and to have the goods delivered to that country to fill the order.

But prompt and regular delivery is made between Europe and South America, both mail and freight, and these discriminations against the United States in favor of Europe, let us not forget, are made by the same lines of foreign ships.

Much of the goods from Bahia to New Orleans are sent via Europe because of rapid and certain service.

Now, I think it is fair that I should state that in the evidence before this royal commission, and also before what is known as the Steenerson committee, it has been stated that the rebate system between here and South America and the conference combinations no longer exist. But in reading through these various documents and in reading the evidence before the Steenerson committee you will find that, as a matter of fact, they do still exist, but that it is done in



secret, or that the rebates are paid in Europe. One witness, as I recall, before the Steenerson committee, testified that he had received \$28,000 in rebates, and he also furnished the committee with a copy of his rebate contract, which I will also insert in the Record. (See Exhibit D.) If any man thinks that the rebate system has been abolished between here and South America let him read this contract. As throwing considerable light upon this question, I want to read from a report made to the royal commission at the request of the ambassador to this country, Mr. James Bryce, by the consul, Mr. Clyde Bailey, of New York. I read from Volume II of Report of Royal Commission on Shipping Rings, page 227:

"That shipping rings or conferences exist is an open secret, and the following list reveals the fact that their operations affect all the principal foreign trade routes from this port.

"In most instances both the shipowners and shippers deny that any rebates are granted, and though technically correct, such reimbursements can generally be found concealed under such heads as "advertising" or "brokerage."

"The object of these rebates is no doubt to stifle competition, as it would be difficult, if not impossible, for any independent line to give service equal to the frequent sailing of the ring and quote rates at least 10 per cent below the conference rates or give the equivalent rebate.

"Inquiries which have been made tend to show that though discrimination in rates is granted, the system does not appear to be in force to any great extent, excepting in the case of gigantic corporations such as the Standard Oil Co. and the United States Steel Corporation, both of whom are in a position to dictate their own terms on the threat of giving their business to competing companies or of chartering their own tonnage. It is possible and even probable that other large shippers are occasionally favored in this manner, but all such transactions are disguised under some other name."

But to return to the South American trade and to show the infamous discrimination of these foreign ships against us, consider these further facts:

Of the 38 mail steamers due to arrive at Buenos Aires during the last day of April and the month of May, 1910, but 1 was from the United States, and that the English vessel *Verdi*. Of 45 freight vessels due from foreign ports for the same period, 4 were from the United States. Of the 35 mail vessels due to sail from Buenos Aires for the same period, only 1 of these—the British steamer *Voltaire*—was bound for the United States, and of the 38 freight vessels due to depart from Buenos Aires, only 2 were bound for the United States. All the other vessels due to arrive and depart were either from or to Europe, with the exception of 3 to local ports.

This shows, in striking contrast, the difference between the service furnished by these "conference" lines to Europe—the home of these lines—and to the United States.

Under such conditions, is it any wonder that practically all the passenger traffic between here and South America is by the way of Europe? Is it any wonder that a thousand people from South America go to Europe where one comes to the United States? Is it any wonder that of the great trade of South America the share of the United States is insignificant? Is it any wonder that many American manufacturers have been compelled to establish factories in Europe to make their goods in order that they may reach the South American markets? Is it any wonder that these foreign steamship trusts have succeeded in practically driving the United States out of the South American trade for the benefit of the foreign countries under whose flags they operate?

A short time ago two or three other gentlemen and myself, in public speeches in the city of New York, spoke of the inadequate and abominable service between here and South America. I also wrote an article that was published in Pearson's Magazine in which I referred to this condition. In order to attempt to conceal from the American people the truth in relation to this service, the representatives of the Lamport & Holt Line—Messrs. Busk & Daniels—wrote a letter that was misleading, and in which many of the facts were suppressed and distorted. This letter was presented to certain concerns in New York who ship goods between New York and South America and who have rebate contracts with this line. These same shippers were compelled to sign this letter—one of the signers testified that they had received rebates from this line for the past year in the sum of more than \$28,000. After these shippers who were receiving these rebates were coerced into signing this letter, it was given to the advertising agent of the conferences controlling the lines running between this country and South America, and by him sent out to the various newspapers in

the United States that carry advertising of these foreign lines, with the request that it be published and that comment be made, and with this request was sent a renewal of the advertisement in some of these papers. Even so great and so conservative a paper as the Post, of Washington, D. C., was deceived and trapped by this letter and published a portion of it with favorable editorial comment.

Let me add that this system of rebates, conferences, and pools is not prohibited by law in England or Germany or by any other country of Europe, but is recognized and upheld by the law; therefore, in the testimony given before the royal commission they testified without reservation as to those countries, but when it came to the United States they either said the system had been abolished, as they understood, or that it was carried on under cover, and in some instances they refused to testify because they claimed it would expose trade secrets.

Mr. ESCH. Will the gentleman yield for a question?

Mr. HUMPHREY of Washington. Certainly.

Mr. ESCH. If the world's commerce is pooled through conferences, and America should establish a mail line to South America under the subsidy bill which the gentleman has introduced, how could the American lines live under the possible competition of these conferences and pools? Would not the American lines have to come to Congress for an increase from time to time?

Mr. HUMPHREY of Washington. I doubt if the gentleman's hypothesis is true. In the first place, if they were run under a mail contract, we would have complete control over them, and if they entered into these pools or conferences, the contract should be canceled. If we had a single line of vessels running between here and South America which we could control, it would, to a great extent, destroy these combinations and conferences, for they would have to cut rates and carry the traffic at the same rate as the American ship. This reduction in rates would pay this country many times over what it would give these vessels for carrying the mails.

Mr. MORSE. If the gentleman will allow me, what would prevent that line of vessels owned by the Americans from entering into the agreement with these people?

Mr. HUMPHREY of Washington. What would prevent it would be our law and the authority vested in our courts. We can control our own lines. I do not want the gentleman to understand that I am defending American lines if they belong to these combinations. I believe that the American lines running across the Atlantic Ocean that are receiving mail subsidies from this Government are in these conferences. I have no direct evidence on that particular point. The evidence that I have is indirect, but I believe it is true.

Mr. MORSE. You would cut off the subsidy?

Mr. HUMPHREY of Washington. Yes; certainly.

#### WEST COAST OF SOUTH AMERICA.

The lines running between this country and the west coast of South America belong to what is known as the west coast of South America conference. It practices the same system of discriminations and rebates as the others that I have described, and, according to the statement published in this report of the royal commission, the amount of rebate paid is from 5 to 10 per cent. The service furnished by this conference is even worse, if possible, than that furnished between this country and the east coast of South America.

The chairman of this particular conference in New York is Mr. George L. Duval. This gentleman has never failed to appear before the Merchant Marine Committee of the House of Representatives to oppose any legislation that had for its purpose the assisting of our merchant marine, and he has always brought with him to help oppose such legislation his hired attorney, Mr. J. Hampden Dougherty.

#### SOUTH AFRICAN CONFERENCE.

The lines running between here and South Africa are formed into what is known as the South African conference. They practice exactly the same methods and systems as the conferences between this country and South America. The lines in this conference are always careful that competitive products of the United States, regardless of distance or other advantage, shall not be carried for less than the same products are carried from Europe.

## ON THE PACIFIC.

On the Pacific Ocean all the foreign vessels are formed into combines and conferences, the same as they are on the Atlantic. All agree on freight rates. There is absolutely no competition. All of them give rebates and other advantages to their patrons. The Japanese, English, and German lines are the principal lines in the conference on this ocean. The Japanese lines seem to largely control this conference on the Pacific, as the German lines control the conferences on the Atlantic.

However, evidence of the details of the workings of those lines is not very complete. The investigation to which I have referred does not cover these lines so thoroughly. These conferences on the Pacific control shipping of all ports on that ocean, including the Philippines.

The American ships on the Pacific Ocean in the transoceanic trade are probably parties to these Pacific conferences.

Not only do these conferences control rates on the Pacific Ocean and give rebates, but, by a contract between the transcontinental railways of this country and these conferences, controlled by Japanese lines, these Japanese lines fix the freight rates not only on the Pacific Ocean, but in the United States on the railways. Japanese foreign steamship lines to-day absolutely dictate the freight rates from any portion of the United States to and from Pacific ports anywhere on that ocean. These contracts have been made with the great transcontinental railway lines and extend over a period of years. The Great Northern, the Northern Pacific, the Milwaukee, and other lines running to Seattle have traffic agreements of this character with the Japanese lines that come to that port. The railroad lines running into San Francisco have similar arrangements with Japanese lines running to that port.

On the Pacific Ocean there is also a combination or conference of the sailing vessels of England, France, and Germany, representing practically all the sail tonnage on the Pacific Ocean. This conference is known as the Sailing-Ship Owners' International Union. Its agreements are printed in this report of the royal commission. I shall print it again in the Record. (See Exhibit C.) The purpose of this combination, as declared in its rules, is to raise freight rates from the Pacific coast of America to Europe. No attempt is made to control the rate from Europe to America. This combination has succeeded in its purpose, for, since it was formed, about five years ago, it has increased freight rates from the Pacific ports of this country to Europe more than 500 per cent.

Mr. COOPER of Wisconsin. Will the gentleman tell us who increased the freight rates 500 per cent, as he just stated?

Mr. HUMPHREY of Washington. These lines that run between the Pacific coast and the ports of Europe that comprise this conference. To give you an illustration:

Last summer ships belonging to this combine came from Europe to Seattle carrying a cargo for \$1.25 per ton. These same ships refused to take a return cargo over the same course for less than \$6.90 per ton. Failing to get a cargo at this price, they sailed away in ballast. They were compelled to do this, for that was the minimum price fixed by the conferences; and if they had carried a cargo for any less, they would have been subject to a fine of 5 shillings per ton upon the dead-weight capacity of the vessel. When this combination was formed they were carrying wheat from Seattle to Liverpool for \$1.25 per ton. They immediately raised it to \$5.62 per ton, and recently to \$6.90.

I trust that Members of this House will not forget and that the American people will not forget that these foreign ship combinations on both the Atlantic and Pacific, everywhere, constantly discriminate against this country in favor of the country whose flag they fly.

The answer to this statement has always been to dispute it. The truth can not, however, be longer denied. Here is the published evidence in the report of this royal commission, complete and undisputed, given by the parties who have practiced these discriminations.

It is natural that these discriminations should be practiced. We have no one to blame but ourselves that these things are done. That we patiently permit these discriminations against our country is a national disgrace, a reflection on the patriotism and the intelligence of Congress.

## AMERICAN LINES.

As already stated, the American lines on the Pacific in all probability have joined with the foreign lines and have entered the different conferences. Al-

though the evidence given before the royal commission, so far as I have been able to ascertain, is not conclusive that the American lines on the Atlantic Ocean are parties to any of these conferences, yet from this and other information that I have received from other sources I am strongly inclined to believe that the American lines running between this country and Europe, notwithstanding that they are receiving mail subsidies, are parties to these conferences. It may be that these American lines will plead self-defense in becoming parties to these combines, and it may be that this plea is true—and I believe, personally, that it is true—but nevertheless I do not believe that this should be permitted by this Government. [Applause.] If it is persisted in by the American lines running under the provisions of the ocean mail act of 1891, I think that the contract with them should be canceled. This Government ought never, under any circumstances, be a party, however indirect, to any such methods. [Applause.] The mighty power of the Government should be exerted to any extent necessary to end this infamous system that is destroying our commerce and has driven our flag from the sea. [Applause.]

Mr. MORSE. Mr. Chairman, I am greatly interested in this matter, and I am not asking questions in the spirit of criticism. I am wondering if the gentleman thinks that a ship subsidy would tend to break up this combination, if given to American lines of ships.

Mr. HUMPHREY of Washington. I have answered that, I think. That it would have a great tendency to do it there can be no question, because, if we had only one line running from here to South America or across to the Orient, the Government could control it, and this would compel all of the lines to lower freights, or the American ships would carry so much of the business that they would not need any government aid. If the conference lines attempted to drive it out by reducing rates this would save our country far more than any subsidy we might pay.

Mr. GARRETT. But the very meat of the suggestion of the gentleman from Wisconsin was that by virtue of the power of this combination and the tremendous wealth behind it, they could outbid any subsidy.

Mr. HUMPHREY of Washington. I do not think the gentleman is right in that, but I do not hesitate to say that under this system of conference, this mighty combination, that no power is strong enough except that of the Government to break it. But the Government can do it, and it would be a most profitable thing for it to do it. This Government can not afford to be at the mercy of these foreign ship trusts in time of peace and much less in time of war. Private lines can not compete with this giant monopoly of the sea, but the Government can, and it must. No American with a drop of red blood in his veins will contend that we stand helpless before this combination of foreign ships. [Applause.] It is our duty to find the remedy and apply it. [Applause.]

#### ONE THING THAT ALL LINES DO.

All these conferences of foreign ships on both the Atlantic and Pacific give special rates and special privileges to certain great American trusts. This appears again and again in the evidence contained in this report on "shipping rings."

I might say, by way of parenthesis, that I was talking only a few days ago to a representative of another steel company in this country, and he was complaining that they just had an opportunity to bid for bridge work in Japan, but it was absolutely impossible, because they could not meet the steel-trust competition. When I called his attention to the preference given it in the way of rates by foreign steamship lines, he said he understood why, for the first time, that they could not meet them in foreign countries. The great trusts thus specifically mentioned are the Standard Oil Co., the Steel Trust, and the Harvester Combine—and this latter combine appears more frequently in the evidence than any other. These foreign steamship combinations by this favoritism have made it impossible for any American rival to compete with these industrial giants in any foreign market. In this and in a thousand other ways these foreign trusts—these foreign ships—have nullified and violated the anti-trust laws of this country. Shall we permit these foreign trusts, without protest, to continue to violate our laws?

#### THE GREATEST TRUST IN THE WORLD.

The Hamburg-American Packet Co. is the greatest power in the most gigantic trust, combine, and monopoly that exists in the world. All the different

combines and companies on the Atlantic Ocean, while they divide up the field and parcel out the territory, are also under one gigantic working scheme and have a common understanding. The head of this greatest of all trusts is the Hamburg-American Line. It is also probable that this line exerts, together with Japan, a controlling interest in all the Pacific conferences. It has often been claimed that the Hamburg-American is not a subsidized line—a statement true in the letter and false in the fact. It is beyond question, all things considered, the most heavily subsidized line in the world, with the possible exception of some of the Japanese lines. The Hamburg-American Line has a one-third reduction of freight received from 20,000 miles of government-owned railroad in Germany. This line has the influence and the wealth of the German Government back of it. It stands for the German Empire. The German Emperor is reputed to be a heavy stockholder in this company. The Hamburg-American is the favored child of the German Empire. Why should this great monopoly, that absolutely dictates the freight rates on the entire Atlantic Ocean, have a direct subsidy paid to it by the German Government? One of its subsidiary companies, however, the North German Lloyd, does receive a direct subsidy from the German Government of \$1,385,000 a year for its East Indian and Australian service alone.

If this giant monopoly is losing money, all it has to do is increase freight rates on the commerce of this country. This it has done and is doing. The earnings of this mightiest of all monopolies is probably not less than 25 per cent annually. This vast tribute to make this vast profit comes mostly from the American people. The ingenuity of man can not invent a reason why an absolute monopoly that absolutely controls more than half the commerce of the world should be paid a direct subsidy.

The head of this world-wide trust is Herr Ballin, by common consent the most influential man in Germany, excepting only the Emperor himself. Herr Ballin to-day sits in Germany and absolutely fixes the price that the American merchant, the American manufacturer, and the American farmer must pay on every pound of freight he sends to Europe or to South America. He absolutely dictates the amount of money that any American citizen must pay to visit Europe or to visit South America.

Herr Ballin and Herr Boas, the general manager of this company in this country, have frequently, through the American newspapers, denounced the efforts made by the American Congress to do something to assist in building up our merchant marine. Herr Ballin came to this country a few years ago and made a speech to American business men in New York City, insisting that America should permit Germany to carry her commerce on the seas. He and his New York representative, Mr. Boas, have attacked and denounced any legislation looking to the upbuilding of our merchant marine. They have opposed the ocean mail act of the majority and the discriminatory duty plan of the minority.

The hired representative of Herr Ballin and his interests is here in Washington to-day on the staff of the Associated Press, the greatest news-gathering agent in the world. This gentleman's name is Mr. J. J. Wilbur, and when you remember how close the German merchant marine is to the German navy it is at least suggestive that this representative of this giant foreign steamship trust should also be the representative of the Associated Press assigned to our State, War, and Navy Departments.

When he was on the witness stand the other day, he refused to testify as to the amount of money that he was being paid for this service. The next day after that Mr. Boas, of New York, was upon the witness stand, and he testified that Mr. Wilbur's compensation was \$3,000 a year. What does he do? What are the services that he renders this company?

This is the Herr Ballin whose company voluntarily withdrew two of its fastest and best ships and sold them to Spain to sink, burn, and destroy American commerce.

This is the man and this is the company that to-day absolutely dictate how and on what terms this great Nation shall transport \$3,500,000,000 worth of commerce annually. This is the man whose company, when sued by American citizens for rebating and pooling and combining to destroy competition, answered that his was a foreign corporation, and he would do as he desired.

All this is done so far without complaint and without protest on our part, and this while the whole country is filled with the sound and fury of the verbal battle to exterminate comparatively small trusts and combines at home.

No wonder that we are to-day, in our trade relations with other nations, considered as the blind and strutting fool of the world. [Applause.]

## UNDISPUTED PROPOSITIONS.

The following propositions I challenge any man to deny or refute:

First. That 90 per cent of our commerce is carried by a giant monopoly composed of foreign ships, among which there is not the slightest competition.

Second. That these lines constitute a complete monopoly of the sea, and that these lines are, each and all, pledged to stand together to destroy any competitive line that may attempt to enter the field.

Third. That there is not a regular line of foreign vessels carrying our commerce but what is in a trust, conference, or pool that agrees on freight rates and gives rebates or other preferences.

Fourth. That there is not a single foreign vessel engaged in carrying our commerce but what discriminates against products of this country whenever and wherever these products compete with the products of the country whose flag the vessel flies.

Fifth. That the service between this country and South American ports is grossly inadequate and grossly discriminatory against this country in favor of the countries of Europe.

Sixth. That there is not a line of foreign vessels engaged in carrying our commerce on either ocean but what gives special rates and other preferences to the Standard Oil Co., the Steel Trust, and the Harvester Combine.

Seventh. That these combinations dictate freight rates to and from interior points, and that they dictate the ports through which interior freight shall pass.

Elighth. That many of the lines in these combinations, trusts, and conferences have large property holdings in this country, consisting of terminals and other property, and are represented in this country by local agents.

Ninth. That many of the lines in these combines are receiving subsidies and other assistance from their governments and are performing government functions and form part of the naval auxiliaries of the various nations.

Tenth. That there is a combination between transcontinental railways of this country and Japanese steamship lines that fix the rate on oriental freight, both on land and on sea.

These are the facts, to-day admitted by all and known by all who have given the matter attention. So well are these facts known by the other nations of the world that they do not even excite comment.

The fact that these things have never been fully published in the press of this country is one of the highest tributes to the power and influence of these great combinations. What method they have used to suppress these facts is something that so far has not been made public. Let me repeat, that I stand ready to furnish evidence to establish each statement I have made.

## THE REMEDY.

What are the American people going to do? They will not longer submit to these conditions when once the facts are known—as soon they must be. These foreign ships discriminating against American products are largely controlled, if not actually owned, by foreign governments. The Hamburg-American Co., for illustration, is practically a part of the Government of Germany. Yet these foreign steamship companies are discriminating against this country, in favor of Europe particularly. This is strongly shown by the discrimination between this country and South America in favor of the European countries.

*The important question is, Is not this discrimination practiced by these foreign steamship companies, under or controlled by foreign governments, a violation not only of the letter but of the spirit and the intent and the purpose of commercial treaties with those countries? Under these conditions should we hesitate to abrogate these treaties?*

*Again, by the giving of rebates to shippers in this country and by the giving of special rates to particular great interests in this country, are not these combines violating our laws?*

*Shall we have one law for the American trust and another law for the foreign trust that is trading within our borders?*

One thing is certain—that this country can never have its fair share of the commerce of the world until these combinations of foreign steamships are destroyed. It is also certain that no power but that of the Government is strong enough to destroy them.

This is not a party question; it is one of national prosperity, of national pride, and of patriotism. Let us forget politics and party and, remembering only the flag and our country, join hands to fight for what is justly ours. [Applause.]

South Africa and Calcutta—Personnel: 1. Messrs. Bullard, King & Co. 2. British India Steam Navigation Co.

Conditions: Amount of rebate, 10 per cent; periods, six months for account and six months for deferment.

South Africa and Mauritius—Personnel: Union Castle Mail Steamship Co. (Ltd.).

Conditions: An extra rate of 5s. a ton on all shippers who refuse to bind themselves to exclusive shipments by conference line for a fixed period.

#### WEST AFRICAN CONFERENCE.

Area: The trade between the United Kingdom and the Continent and the west coast of Africa as far south as and including Tiger Bay.

[NOTE.—According to the circular issued by the Woermann Line, continental ports west of Havre are not included in the conference area. This discrepancy was believed by Mr. Zochonis to be due to a clerical error.]

Personnel: 1. African Steamship Co. (Elder, Dempster & Co.). 2. British and African Steam Navigation Co. (Elder, Dempster & Co.). 3. Woermann Line, of Hamburg. 4. Hamburg-American Co., of Hamburg. Lines 1 and 2 are exclusively entitled to the trade from the United Kingdom to West Africa and have equal rights with 3 as regards sailings from German and other continental ports.

Conditions: Amount of rebate, 10 per cent; periods, six months for account and six months for deferment. Rebate on all shipments outward, but only on palm oil and palm kernels homeward; but loyalty is required on other goods. Rebate to be claimed within 12 months of shipment, and to be claimed by, and is only payable to, the principal, i. e., merchant who is the owner of the goods. Crown agents are treated as principals in respect of Government goods. Disloyalty on outward shipments involves forfeiture of rebates on homeward shipments and vice versa.

#### AUSTRALIAN CONFERENCE.

Area: The trade from ports in the United Kingdom to ports in New South Wales, Victoria, south Australia, west Australia, and Queensland, by steamers or sailing vessels.

Personnel: 1. Peninsular and Oriental Steam Navigation Co. 2. Orient and Royal Mail Line. 3. Messageries Maritimes, of Paris. 4. Messrs. Anderson, Anderson & Co. 5. Messrs. Aitken, Lilburn & Co. (sailing-ship owners). 6. Messrs. Bethell, Gwyn & Co. 7. Messrs. Birt, Potter & Hughes (Ltd.). 8. The Colonial Line (Tyser & Co.). 9. Messrs. Devitt & Moore. 10. Messrs. James Dowie & Co. 11. Messrs. Gracie, Beazley & Co. 12. Messrs. F. Green & Co. 13. Messrs. Houlder Bros. & Co. 14. Messrs. Ismay, Imrie & Co. (White Star Line). 15. Messrs. Thomas Law & Co. (sailing-ship owners). 16. Messrs. W. Lund & Sons (Blue Anchor Line). 17. Messrs. W. Marden & Co. 18. Messrs. McIlwraith, McEacharn & Co. 19. Messrs. Marwood & Robertson. 20. Messrs. W. Milburn & Co. (Milburn Line). 21. Messrs. G. Thompson & Co. (Aberdeen Line). 22. Messrs. Trinder, Anderson & Co. 23. West Australia Steam Navigation Co. 24. Ocean Steamship Co. (from Glasgow only). 25. British India Steam Navigation Co. (to Queensland only). 26. Australian Mutual Shipping Co. (to Melbourne, Sydney, and Newcastle, N. S. W., by sailing ships). The conference is known as the Australian Associated Owners and Brokers and is a conference of shipowners and loading brokers.

Conditions: Amount of rebate, 10 per cent; periods, six months for account and six months for deferment. Rebate to be claimed within three months of date on which it is due.

#### TASMANIAN CONFERENCE.

Area: The trade from the United Kingdom to Tasmania direct or via Australia, by steamers or sailing vessels.

Personnel: Messrs. F. Green & Co.; Messrs. Staley, Radford & Co.; the Australian Associated Owners and Brokers (via Australia in transit).

Conditions: Amount of rebate, 10 per cent; periods, six months for account and six months for deferment. Claim to be made within three months of date when rebate falls due.

## WESTERN AUSTRALIAN CONFERENCE.

Area: The trade from ports in United Kingdom and Continent to Western Australia by steamers or sailing vessels.

Personnel: 1. Peninsular and Oriental Steam Navigation Co. 2. Orient and Royal Mail Line. 3. West Australian Steam Navigation Co. (only via Singapore). 4. Messrs. Trinder, Anderson & Co. 5. Messrs. Bethell, Gwyn & Co. 6. Messrs. W. Marden & Co. 7. Messrs. Anderson, Anderson & Co. 8. Messrs. Birt, Potter & Hughes (Ltd.). 9. Messrs. T. Law & Co. (from Glasgow only). 10. Messrs. J. Dowie & Co. (from Liverpool only). 11. Messrs. Ismay, Imrie & Co. (from Liverpool only). 12. Messrs. Marwood & Robertson (from Liverpool only). 13. Ocean Steamship Co. (only via Singapore). 14. Nord Deutscher Lloyd, of Bremen. 15. German Australian Co., of Hamburg. 16. Messrs. August Blumenthal and Rob. M. Sloman, jr., of Hamburg. 17. Messageries Maritimes. Nos. 14, 15, and 16 are allowed to ship from continental ports goods not manufactured in or shipped from the United Kingdom.

Conditions: Amount of rebate, 10 per cent; periods, six months for account and six months for deferment. Claims to be presented within three months of date when rebate falls due.

## AUSTRALIAN COASTAL CONFERENCE.

Conditions: Periods, six months for account and six months for deferment.

## NEW ZEALAND CONFERENCE.

Area: From ports in the United Kingdom to New Zealand.

Personnel: 1. New Zealand Shipping Co. 2. Federal Steam Navigation Co. 3. Shire Line (Turnbull, Martin & Co.). 4. Tyser Line (Tyser & Co.). 5. Shaw, Savill & Albion Co. (Ltd.), of London. 6. Ismay, Imrie & Co. 7. Gracie, Beazley & Co.

Conditions: Amount of rebate, 1s. to 2s. 6d. per ton; periods, graduated allowances per ton are made on shipments amounting to 300 tons and over shipped during certain periods. Claims made up every six months, payable six months after.

## FAR EAST OUTWARD CONFERENCE.

Area: The trade from United Kingdom, Belgium, and Holland to the Straits Settlements, Malay Peninsula, Siam, Philippine Islands, Hongkong, Kiaochow, Port Arthur, Wei-hai-wei, China, Japan (including Formosa), and Korea.

Personnel: 1. Peninsular and Oriental Steam Navigation Co. 2. Ocean Steamship Co. (Alfred Holt & Co.). 3. Messageries Maritimes, of Paris. 4. Nord Deutscher Lloyd, of Bremen. 5. Nippon Yusen Kaisha. 6. Glen Line (McGregor, Gow & Co.). 7. Shire Line (T. & J. Brocklebank (Ltd.), Royal Mail Steam Packet Co.). 8. Ben Line (William Thomson & Co.). 9. Shell Line. 10. Mutual Line (Alfred Holt & Co.) 11. Mogul Line (Gellatley, Hankay & Co.).

Claims to rebates are not invalidated by: 1. Shipments of pig iron from Middlesbrough to Japan by the Hamburg-American Co. 2. Shipments from Middlesbrough to Siam by the East Asiatic Co., of Copenhagen. 3. Shipments from Antwerp by the East Asiatic Co., of Copenhagen, and the Russian East Asiatic Steamship Co., of St. Petersburg. 4. Shipments from Antwerp, Rotterdam, and Amsterdam by the Hamburg-American Co. 5. Shipments from Antwerp to Port Arthur by the steamers of Eugen Cellier and H. W. Dieckmann, jr., of Hamburg. 6. Shipments from Rotterdam and Amsterdam by steamers of the Stoomvaart Maatschappij Nederland and cargo steamers of the Rotterdam Lloyd. 7. Shipments of general cargo by the Compania Transatlantica to the Straits Settlements and the Philippine Islands. 8. Shipments by any mail line under the auspices of the Belgian Government.

Conditions: Rebate, 5 per cent, payable at the end of 6 months, and 5 per cent at the end of 12 months. Claims to be sent in within 3 months from date on which payments become due and signed by the merchant owning the goods. On shipments from Birkenhead an extra rebate of 5 per cent is given at time of shipment.

## FAR EAST HOMEWARD CONFERENCE.

Area: The trade from China, Hongkong, and Japan to Europe (except Black Sea ports) or to ports via Europe.



Personnel: 1. Peninsular and Oriental Steam Navigation Co. 2. Ocean Steamship Co. (Alfred Holt & Co.). 3. Messageries Maritimes, of Paris. 4. Nord Deutscher Lloyd, of Bremen. 5. Austrian Lloyd. 6. Navigazione Generale Italiana (Florio and Rubattino United Companies). 7. East Asiatic Co., of Copenhagen. 8. Russian East Asiatic Co., of St. Petersburg. 9. Nippon Yusen Kaisha. 10. Glen Line (McGregor, Gow & Co.). 11. Shire Line (T. & J. Brocklebank limited, Royal Mail Steam Packet Co.). 12. Ben Line (William Thomson & Co.). 13. Mutual Line (Alfred Holt & Co.). 14. Shell Line. 15. Hamburg-American Co., of Hamburg.

Conditions: Rebate, 10 per cent. Periods: Two six-monthly periods, 1st of May to 31st of October, and 1st of November to 30th of April. In respect of shipments during first period, one-half of the 10 per cent is paid on the following 1st of January, and one-half on the 1st of July. Rebates not payable on rice and oils from Japan, silk and treasure, the produce of the Eastern Archipelago transhipped at Hongkong, nor on any cargo the freight upon which may be arranged at a net rate. Rebates payable to shippers' London agent.

#### STRAITS HOMEWARD CONFERENCE.

Area: The trade from Singapore, Penang, and the Malay Peninsula to Europe, except Baltic and Black Sea ports or ports via Europe.

Personnel: (a) In respect of all traffic: 1. Peninsular and Oriental Steam Navigation Co. 2. Ocean Steamship Co. (Alfred Holt & Co.). 3. Messageries Maritimes, of Paris. 4. Nord Deutscher-Lloyd, of Bremen. 5. Austrian Lloyd. 6. Navigazione Generale Italiana (Florio and Rubattino United Companies). 7. Compania Transatlantica, of Barcelona. 8. Nippon Yusen Kaisha. 9. Glen Line (McGregor, Gow & Co.). 10. Shire Line (T. & J. Brocklebank, limited; Royal Mail Steam Packet Co.). 11. Ben Line (William Thomson & Co.). 12. Mutual Line (Alfred Holt & Co.). 13. Shell Line. 14. Hamburg-American Co., of Hamburg. (b) In respect of traffic to continental ports of call or ports adjacent thereto: 15. German Australian Co., of Hamburg. 16. Rotterdam Lloyd, of Rotterdam. 17. Stoomvaart Maatschappij Nederland. 18. East Asiatic Co., of Copenhagen. 19. Russian East Asiatic Co., of St. Petersburg. 20. Russian Steam Navigation and Trading Co. 21. Compagnie Francaise de Navigation de Chargeurs Reunis, of Havre.

The agreements of 1897 and 1901:

Some of the above lines were parties to an agreement dated 23d of November, 1897, and all of them, together with the Compagnie des Vapeurs de Charge Francais, to an agreement dated 31st of October, 1901, made with certain merchant firms controlling about 60 per cent of the trade and called the freight agents, whereby, inter alia: (a) The freight agents agreed to discontinue chartering or shipping by sailing vessels or steamers to European ports (sailing vessels to Marseilles excepted) other than those belonging to the conference, and to do their best to prevent opposition and to maintain freights at a paying level. (b) The shipowners agreed that whenever the average rate of freight, loaded in the Straits during each of the six-monthly periods—January to June and July to December—amount to 25s. or over per scale ton, they would pay into a common fund 5 per cent on the gross amount of freight so loaded in conference steamers, to or via European ports, the said sum to be distributed by the freight agents among themselves and certain other firms giving entire support to the conference lines.

Conditions: Rebate: 10 per cent. Periods: Two six-monthly periods, 1st of January to 30th of June and 1st of July to 31st of December. Rebates on shipments in first period payable as to 5 per cent on 2d of September, provided that up to the 30th of June the shipper has confined his shipments to the conference lines, and 5 per cent on 2d of March in the following year, provided that up to the end of December the same condition has been observed. Payments in respect of the second period are made in a similar way on the 2d of March and 2d of September. No rebate payable on rice, hemp, tobacco, or treasure.

#### MINOR STRAITS CONFERENCE.

To New York—Area: The trade from Straits Settlements to New York.

Personnel: 1. Indra Line (T. B. Royden, Liverpool). 2. Shewan, Tomes & Co., of Shanghai. 3. Barber Line, of New York. 4. Mogul Line (Gellatley, Ankey & Co.). 5. Prince Line (James Knott). 6. Dodwell's steamers. 7. Hamburg-American Line, of Hamburg. 8. Rederi Union A. Gesellschaft, of

Hamburg. 9. American and Oriental Line. 10. United States Line. 11. China and Japan Line. 12. Standard Oil Co., of New York.

Conditions: Rebate similar to that in Straits Homeward Conference.

To Australasia—Area: The trade from Singapore to Adelaide, Melbourne, Sydney, and New Zealand.

Personnel: 1. British-India Steam Navigation Co. 2. Currie's Line (Archibald Currie & Co., of Melbourne). 3. Burns Line (Burns, Philip & Co. limited, of Sydney, New South Wales). 4. Nord Deutscher Lloyd, of Bremen. 5. Union Steamship Co., of New Zealand.

Conditions: Rebates are paid, averaging 20 per cent.

To Bombay, Hongkong, and China—Personnel: 1. Peninsular and Oriental Steam Navigation Co. 2. Nippon Yusen Kaisha. 3. Austrian Lloyd. 4. Navigazione Generale Italiana, of Rome. 5. Messageries Maritimes, of Paris.

Conditions: Rebate similar to that in Straits Homeward Conference.

To Calcutta—Personnel: 1. British India Steam Navigation Co. 2. Jardine Line. 3. Apcar Line (Apcar & Co., of Calcutta).

Conditions: Rebate: Twenty per cent on sago, sago flour, areca nuts, planks and scantlings, and 15 per cent on other articles.

From Ceylon—Personnel: 1. Peninsular & Oriental Steam Navigation Co. 2. Ocean Steam Navigation Co. (Alfred Holt & Co.). 3. British-India Steam Navigation Co. 4. Orient & Royal Mail Line. 5. Bibby Line (Bibby Bros. & Co.). 6. Nippon Yusen Kaisha. 7. Clan Line (Cayser, Irvine & Co.). 8. Holts Line (Alfred Holt & Co.). 9. Anchor Line, of Glasgow. 10. City Line (Ellerman Lines). 11. Harrison Line (T. & J. Harrison). 12. Ducal Line. 13. Brocklebank Line (T. & J. Brocklebank). 14. Glen Line (McGregor, Gow & Co.). 15. Shell Line. 16. Shire Line (T. & J. Brocklebank (Limited); Royal Mail Steam Packet Company). 17. Ben Line (William Thomson & Co.). 18. Messageries Maritimes, of Paris. 19. British-India Associated Steamers. 20. Queensland & China Mutual.

Conditions: Rebate: Ten per cent, deferred for six months.

#### PHILIPPINE HOMEWARD CONFERENCE.

Area: The trade in the Philippine Islands to Europe (Baltic and Black Sea ports excepted) or to ports via Europe.

Personnel: 1. Peninsular & Oriental Steam Navigation Co. 2. Ocean Steamship Co. (Alfred Holt & Co.). 3. Messageries Maritimes, of Paris. 4. Nord Deutscher Lloyd, of Bremen. 5. Compania Transatlantica, of Barcelona. 6. Nippon Yusen Kaisha. 7. Glen Line (McGregor, Gow & Co.). 8. Shire Line (T. & J. Brocklebank (Limited); Royal Mail Steam Packet Co.). 9. Ben Line (William Thomson & Co.). 10. Mutual Line (Alfred Holt & Co.). 11. Anglo-Saxon Line. 12. Hamburg-American Co., of Hamburg.

Conditions: Amount of rebate: Ten per cent. Periods: Two six-monthly periods, 1st of October to the 31st of March and 1st of April to 30th of September; in respect of shipments in first period, 5 per cent, payable on 1st of June and 5 per cent on 1st of December, conditional on loyalty during second period, and so on with rebates in respect of shipments in second period. No rebate on sugar or treasure.

#### JAVA OUTWARD CONFERENCE.

Area: The trade from Amsterdam, Rotterdam, and ports in the United Kingdom to ports in Java and the Dutch East Indies.

Personnel: 1. Ocean Steamship Co. (Limited) (Alfred Holt & Co.). 2. Nederland Steamship Co. 3. Rotterdam Lloyd, of Rotterdam. 4. German Australian Line, of Hamburg. The Nord Deutscher Lloyd, also by agreement, receives a share in the trade.

Conditions: Amount of rebate: Ten per cent. Periods: Six months for account, and three months for deferment.

#### INDIAN CONFERENCES.

Calcutta Outward Conference—Area: The trade from all ports in the United Kingdom and all ports on the Continent from Hamburg and Bremen to Cherbourg, to Calcutta.

Personnel: 1. Peninsular & Oriental Steam Navigation Co. 2. British-India Steam Navigation Co. 3. City Line (Ellerman Lines). 4. Harrison Line (T. & J. Harrison). 5. Clan Line (Cayser, Irvine & Co.). 6. Anchor Line,

of Glasgow. 7. Brocklebank Line (T. & J. Brocklebank). 8. Hansa Line (Middlesbrough to Calcutta only). 9. Well Line (Middlesbrough to Calcutta only).

Conditions: These vary, but are generally as follows: Amount of rebate: Ten per cent from London and 20 per cent from Glasgow and Liverpool. On cotton pieces, 5s. 9d. per ton. Periods: Four months for account and four months for deferment. Claim to be presented within twelve months from shipment in some cases and three months from date on which payment is due in others.

#### CALCUTTA HOMEWARD CONFERENCE.

Area: The trade from Calcutta to London.

Personnel: 1. Peninsular & Oriental Steam Navigation Co. 2. City Line (Ellerman). 3. Clan Line (Cayser, Irvine & Co.) 4. Harrison Line (T. & J. Harrison). 5. British-India Steam Navigation Co. 6. Anchor Line, of Glasgow. 7. Brocklebank Line (T. & J. Brocklebank (Limited)).

Conditions: By special agreement between the conference and tea shippers in force till 6th of September, 1910, the rate on tea is fixed at 32s. 6d. per ton of 50 cubic feet, subject to a rebate of 5s. (about 15 per cent) when freight is paid, the conference lines undertaking to supply a reasonably sufficient amount of tonnage and not to give any preference to any other cargo, even though the rate on such other cargo be higher. To shippers not signing the agreement a deferred rebate system is applied of an amount not specified. Periods: Four months for account and four months for deferment. This conference also controls the trade from Calcutta to South America with transshipments at London and Liverpool.

#### MINOR CALCUTTA CONFERENCES.

Calcutta and United States Conference—Personnel: 1. Bucknall Line (Ellerman). 2. Hansa Line, of Hamburg. This conference controls also the trade between Ceylon and the United States under an agreement setting out the obligations of shipowners and shippers. Amount of rebate: Ten per cent. Periods: Six months for account and six months for deferment.

Calcutta and Australian Conference—Personnel: 1. British-India Steam Navigation Co. 2. Australian & Indian Line (A. Currie & Co., of Melbourne).

Calcutta and South Africa Conference—Personnel: 1. British-India Steam Navigation Co. 2. Messrs. Bullard, King & Co. (Natal Direct Line).

Conditions: Amount of rebate: Ten per cent.

Calcutta and Siam, China and Dutch Indies Conference—Personnel: 1. Apar Line. 2. Indo-China Line. 3. British-India Steam Navigation Co. 4. Java-Bengal Line. Rebate of 10 per cent.

Calcutta and Hongkong and Straits Settlements Conference—Personnel: 1. Apar Line. 2. Indo-China Line.

#### COLOMBO OUTWARD CONFERENCE.

Area: 1. The trade from the United Kingdom to Colombo.

Personnel: 1. Peninsular & Oriental Steam Navigation Co. 2. British-India Steam Navigation Co. 3. T. Wilson, Sons & Co., of Hull. 4. Hansa Line, of Bremen (from Middlesbrough). 5. Clan Line (Cayser, Irvine & Co.). 6. Bibby Line (Bibby Bros. & Co.). 7. Well Line (from Middlesbrough and London).

Conditions: Amount of rebate: Ten per cent. From April 1, 1906, it was 30 per cent on rough goods and 20 per cent on fine goods shipped from Liverpool and Glasgow. Periods: Four months for account and eight months for deferment. From London and coast ports, Newcastle to Southampton, four months and four months; (2) the trade from continental ports between Ostend and Hamburg to Colombo.

Personnel: 1. Peninsular Oriental Steam Navigation Co. 2. British-India Steam Navigation Co. 3. Hansa Line, of Bremen. 4. Norddeutscher Lloyd, of Bremen. 5. Bibby Line (Bibby Bros. & Co.).

Conditions: Amount of rebate, 10 per cent; periods, six months for account and six months for deferment.

Colombo Homeward Conference: Area: The trade from Colombo to the United Kingdom and Continent.

Personnel: 1. Peninsular & Oriental Steam Navigation Co.; 2. British-India Steam Navigation Co.; 3. Orient & Royal Mail Line; 4. Bibby Line (Bibby Bros.

& Co.); 5. Nippon Yusen Kaisha; 6. Clan Line (Cayser, Irvine & Co.); 7. Holts Line (Alfred Holt & Co.); 8. Anchor Line, of Glasgow; 9. City Line (Ellerman Lines); 10. Hall Line (Ellerman Lines); 11. Harrison Line (T. and J. Harrison); 12. Ducal Line; 13. Brocklebank Line (T. and J. Brocklebank); 14. Glen Line (McGregor, Gow & Co.); 15. Shell Line; 16. Shire Line (T. and J. Brocklebank; Royal Mail Steam Packet Co.); 17. Ben Line; 18. Messageries Maritimes, of Paris; 19. British-India Associated Steamers; 20. Queensland Line; 21. China Mutual Line (Alfred Holt & Co.); 22. Ocean Steamship Co. (Alfred Holt & Co.).

Conditions: Amount of rebate, 10 per cent; periods, six months for account and six months for deferment.

Colombo to North America: Personnel: 1. Bucknall Line (Ellerman); 2. Hansa Line, of Hamburg.

Conditions: Amount of rebate, 10 per cent; periods, six months for account and six months for deferment. Agreement setting out mutual obligations.

Bombay Outward Conference: Area: The trade from all ports in the United Kingdom and Continent to Bombay.

Personnel: 1. Peninsular & Oriental Steam Navigation Co.; 2. British-India Steam Navigation Co.; 3. T. Wilson, Sons & Co. (from Middlesbrough); 4. Ellerman Line (Hall and City Lines); 5. Anchor Line, of Glasgow; 6. Clan Line (Cayser, Irvine & Co.); 7. Hansa Line, of Bremen.

Conditions: Except as to cotton goods, rebate conditions the same as in the Calcutta trade. As to cotton goods, the shipments are governed by a contract made between the Bombay Native Piece Goods Association and the Anchor, Clan, and Ellerman Lines, terminating December 31, 1910, of which the chief features are: 1. The shipowners undertake to carry all cotton piece goods for members of the association from Glasgow, Liverpool, Birkenhead, and Manchester, to provide steamers of a high class, and give a specified number of sailings. 2. Rate is fixed at 20s. 6d., plus 10 per cent; from Liverpool, Manchester, and Birkenhead, including cost of carriage from Manchester warehouse to dock, dock dues, and haulage. From Glasgow the rate for goods delivered to the shipowners at the wharf is 15s. 6d., plus 10 per cent. 3. Rebate is 4s., payable (a) not only on all goods consigned to members of the association, but (b) also on all goods bought by members after shipment has been made or from stock in Bombay. In case (a) payment is made within two weeks of arrival of steamer, no claim by consignee being necessary; in case (b) consignee must claim within 1 year and 45 days from arrival of steamer, and rebate is payable within 2 weeks of claim. 4. The association undertakes to ship by the conference lines.

Bombay and Singapore, Shanghai, Hongkong and Japan Conference: Personnel: 1. Peninsular & Oriental Steam Navigation Co.; 2. Austrian Lloyd; 3. Rubattino Line, of Rome; 4. Nippon Yusen Kaisha.

Conditions: Amount of rebate, 25 per cent, applying only to wool, twist, cotton, and Indian piece goods. The above lines are also in combination for shipments of cotton from Bombay to Japan.

Karachi Outward Conference: Area: The trade from the United Kingdom and Continent to Karachi.

Personnel: 1. Peninsular & Oriental Steam Navigation Co.; 2. British-India Steam Navigation Co.; 3. Messrs. T. Wilson, Sons & Co. (from Hull and Middlesbrough); 4. Hall and City Lines (Ellerman); 5. Clan Line (Cayser, Irvine & Co.); 6. Hansa Line, of Bremen.

Conditions: Amount of rebate, 10 per cent; periods, four months for account and four months for deferment. Claims to be presented within three months of date when payment due.

Madras Homeward Conference: Area: The trade from Madras and Pondicherry to the United Kingdom, United States, and Marseille.

Personnel: 1. Peninsular & Oriental Steam Navigation Co.; 2. British-India Steam Navigation Co.; 3. Clan Line (Cayser, Irvine & Co.); 4. Ellerman Line (Hall and City Lines).

Conditions: Amount of rebate, 10 per cent; periods, three months for account and six months for deferment. Rebate circular only applies to choice cargo, e. g., skins, hides, indigo, coffee, tea, handkerchiefs, etc.

Madras Outward Conference: Area: The trade from the United Kingdom and Continent to Madras.

Personnel: 1. Peninsular & Oriental Steam Navigation Co.; 2. British-India Steam Navigation Co.; 3. T. Wilson, Sons & Co., of Hull; 4. Hansa Line, of Bremen; 5. Clan Line (Cayser, Irvine & Co.).

Conditions: Amount of rebate, 10 per cent, from London. From other port 30 per cent on general goods and 20 per cent on cotton piece goods. Period

Four months for account and four months for deferment. Claims to be presented within three months of date when payment is due.

Rangoon Conference: Area: The trade homeward and outward between Burmese ports and the United Kingdom and the Continent (between Ostend and Hamburg).

Personnel: 1. Bibby Line (Bibby Bros. & Co.); 2. Henderson Line (Anchor Line); 3. Hansa Line, of Bremen; 4. Holt Line (Alfred Holt & Co., from Liverpool).

Conditions: Amount of rebate, 10 per cent; periods, 6 months for account and 6 months for deferment. Claim to be presented within 12 months of date of shipment. Shipments of rice, rice meal, and entire cargoes of teak excepted.

Indian Coastal Trade Conference: Area: The coastal trade, including the trade with Ceylon.

Personnel: 1. British-India Steam Navigation Co.; 2. Asiatic Steam Navigation Co., of Liverpool; 3. Bombay Steam Navigation Co. (Ltd.), of Bombay.

Conditions: Periods, six months for account and six months for deferment.

#### RIVER PLATE CONFERENCE.

Area: United Kingdom and Continent (between Havre and Hamburg, inclusive) to any port or ports in the Republics of Uruguay, Argentina, and Paraguay.

Personnel: 1. Messrs. Lamport and Holt, of Liverpool; 2. Messrs. R. P. Houston & Co. (Houston Line); 3. Messrs. D. MacIvor & Co. (MacIvor Line); 4. Messrs. H. and W. Nelson (Nelson Line); 5. Royal Mail Steam Packet Co.; 6. Messrs. Houlder Bros. & Co. (Houlder Line); 7. Prince Line (James Knott); 8. Allan Line, of Glasgow; 9. Norddeutscher Lloyd, of Bremen; 10. Hansa Line, of Hamburg; 11. Hamburg-South American Steamship Co., of Hamburg; 12. Hamburg-American Line, of Hamburg; 13. Chargeurs Reunis, of Havre. According to the form of claim, dated July 1, 1903, the Pacific Steam Navigation Co. are entitled to carry to Montevideo, presumably en route to the West Coast via Straits of Magellan.

Conditions: Rebate, 10 per cent; periods, six months for account and six months for deferment. Also an immediate commission of 5 per cent is allowed to the shipping agent, when employed. Forms of claim to be signed by the merchant resident in Europe and by the forwarding agent, when a forwarding agent is employed, and must be presented three months after date on which payment of rebates becomes due. No rebate allowed where principal does not reside in Europe.

#### CENTRAL BRAZIL CONFERENCE.

Area: The trade from the United Kingdom or Continent between Antwerp and Hamburg, both inclusive, to Natal, Cabedello (Parahyba), Pernambuco, Macelo, Bahia, Victoria, Rio de Janeiro, and Santos.

Personnel: 1. Messrs. Lamport and Holt; 2. Royal Mail Steam Packet Co.; 3. Pacific Steam Navigation Co.; 4. Messrs. T. and J. Harrison (Harrison Line); 5. Norddeutscher Lloyd, of Bremen; 6. Hamburg-South American Steamship Co., of Hamburg; 7. Hamburg-American Line, of Hamburg.

Conditions: Rebate, 10 per cent; periods, six months for account and six months for deferment. Claims to be signed by the merchant resident in Europe and by the forwarding agent shipping the goods. Claims to be presented within three months of date on which payments become due.

#### SOUTH BRAZIL CONFERENCE (BRANCH OF THE CENTRAL BRAZIL CONFERENCE).

Area: The trade from ports in Europe to ports in Brazil south of Santos, viz, Paranagua, Desterro, San Francisco, Rio Grande do Sul, Porto Alegre, and Pelotas.

Personnel: 1. Hamburg-American Line, of Hamburg; 2. Hamburg-South American Line, of Hamburg. (These two lines alone being entitled to carry direct from any European port to the above-mentioned ports.) 3. The other lines in the Central Brazil Conference are entitled to carry to the above ports via Rio de Janeiro.

Conditions: Amount of rebate, 10 per cent; periods, six months for account and six months for deferment. If goods shipped through an agent, form of claim must be signed by principal as well as by agent. Shipments by nonconference sailing vessels allowed only from Kohlin, Holz, and Salz.

## NORTH BRAZIL CONFERENCE.

Area: The trade, either by sailing or steam ships, from the United Kingdom or Continent to Para, Manaus, Maranhão, Ceará, and Parnahiba.

Personnel: 1. The Booth Line, of Liverpool (which claims exclusive right to shipments from the United Kingdom, in addition to sharing shipments from the Continent with the following lines, which are restricted to the Continent); 2. Hamburg-American Line, of Hamburg; 3. Hamburg-South American Steamship Co., of Hamburg.

Conditions: Rebate, 10 per cent. Periods, six months for account and six months for deferment. Claims to be signed by forwarding agent and principal and presented within three months after payments become due.

## MINOR BRAZIL CONFERENCE.

Bahia and Europe Conference: Area: The trade from Bahia to ports between Antwerp and Hamburg, inclusive.

Personnel: 1. Hamburg-South American Line, of Hamburg; 2. Hamburg-Amerika Linie, of Hamburg; 3. Norddeutscher Lloyd, of Bremen; 4. Royal Mail Steam Packet Co.

Conditions: Amount of rebate, 10 per cent. Periods, twelve months for account and three months for deferment.

Rio de Janeiro and Europe Conference: Area: The trade from Rio de Janeiro and Victoria to Antwerp, Rotterdam, Amsterdam, the rivers Weser and Elbe, and Copenhagen.

Personnel: 1. Hamburg-South American Line, of Hamburg; 2. Hamburg-Amerika Linie, of Hamburg; 3. Norddeutscher Lloyd, of Bremen; 4. The Royal Mail Steam Packet Co.

Conditions: Amount of rebate, 10 per cent. Periods, twelve months for account and three months for deferment.

Rio de Janeiro and Buenos Aires Conference: Area, the trade in coffee from Rio de Janeiro to Buenos Aires.

Personnel: 1. Royal Mail Steam Packet Co.; 2. La Cie. des Messageries Maritimes; 3. Pacific Steam Navigation Co.

Conditions: Amount of rebate, 10 per cent. Periods, six months for account and three months for deferment.

Rio de Janeiro and Santos (Brazil) to Havre, London, and Southampton Conference.

Personnel: 1. Royal Mail Steam Packet Co., of London; 2. La Cie. des Chargeurs Reunis, of Paris.

Conditions: Amount of rebate, progressive, 7 per cent to 15 per cent. Period, twelve months for account and three months for deferment.

Bahia to Havre, London, and Southampton Conference:

Personnel: 1. Royal Mail Steam Packet Co., of London; 2. La Cie. des Chargeurs Reunis, of Paris.

Conditions: Amount of rebate, 10 per cent. Periods, twelve months for account and six months for deferment.

Santos, United States, and Europe Conference: Area, the trade in coffee from Santos (Brazil) to Antwerp, Amsterdam, Rotterdam, the rivers Weser and Elbe, and ports in the United States of America.

Personnel: 1. Royal Mail Steam Packet Co., of London; 2. Hamburg-South American Line, of Hamburg; 3. Hamburg-Amerika Linie, of Hamburg; 4. Norddeutscher Lloyd, of Bremen; 5. Lamport and Holt, of Liverpool; 6. Prince Line (Ltd.), of Newcastle upon Tyne.

Conditions: Amount of rebate, progressive, 5 per cent to 10 per cent. Periods, twelve months for account and three months for deferment. Shipments by the National Brazilian Line to the United States and by the Koninklijke Hollandsche Lloyd to Amsterdam do not invalidate claim to rebate.

## CONFERENCE OF WEST INDIA ATLANTIC STEAMSHIP COMPANIES (WEST INDIAN AND PACIFIC TRAFFIC).

(a) General section: 1. The trade from Europe via Panama to ports between Guayaquil and Valparaíso, both inclusive.

Personnel: 1. Royal Mail Steam Packet Co.; 2. Cie. Gle. Transatlantique, of Paris; 3. Cia. Trasatlantica de Barcelona; 4. Hamburg-Amerika Linie, of Hamburg; 5. Harrison Line, of Liverpool; 6. Leyland Line (International

Mercantile Marine Co., of New York); 7. La Veloce Navigazione Italiana, of Genoa. Shipments are allowed via Magellan by the Pacific Steam Navigation Co., Lamport and Holt, the Gulf Line, and the Kosmos Line, or via Tehuantepec by steamers of the Conference Lines.

Conditions: Rebate, 10 per cent. Periods, six months' account and six months' deferment. 2. The trade from the United Kingdom to Limon.

Personnel: 1. Royal Mail Steam Packet Co.; 2. Messrs. F. Leyland & Co., (Ltd.) (International Mercantile Marine Co., of New York). 3. Harrison Line, of Liverpool; 4. La Cie. Gle. Transatlantique, of Paris; 5. Hamburg-Amerika Linie, of Hamburg.

Conditions: Rebate, 10 per cent. Periods, six months' account and six months' deferment. 3. The trade in coffee from west coast of Mexico and Central America via Panama to Europe.

Personnel: 1. Royal Mail Steam Packet Co.; 2. Cie. General Transatlantique, of Paris; 3. Hamburg-Amerika Linie, of Hamburg; 4. Messrs. F. Leyland & Co., (Ltd.) (International Mercantile Marine Co., of New York); 5. Harrison Line, of Liverpool; 6. La Veloce Navigazione Italiana, of Genoa; 7. Cia. Trasatlantica de Barcelona. Shipments by the Kosmos Line via Magellan or via the Tehuantepec route and steamers of the Conference Lines do not invalidate claim to rebate.

Conditions: Rebate, 10 per cent. Periods, 12 months' account and 6 months' deferment.

(b) Mexican section: 1. The trade from the United Kingdom and continent to Mexican Atlantic ports.

Personnel: 1. Cie. Gle. Transatlantique, of Paris; 2. Cia. Trasatlantica de Barcelona; 3. Cuban Line (Ernest Bigland & Co.); 4. Fred. Leyland & Co. (Ltd.) (International Mercantile Marine Co., of New York); 5. Hamburg-Amerika Linie, of Hamburg; 6. Harrison Line, of Liverpool; 7. Royal Mail Steam Packet Co. Shipments are allowed via New York by Ward Line, of New York.

Conditions: Rebate, 10 per cent. Periods, six months' account and six months' deferment. 2. The trade from Europe via Tehuantepec to ports between Guayaquil and Valparaiso, both inclusive.

Personnel: 1. Cie. Gle. Transatlantique, of Paris; 2. Cia. Trasatlantica de Barcelona; 3. Hamburg-Amerika Linie, of Hamburg; 4. Harrison Line, of Liverpool; 5. Leyland Line (International Mercantile Marine Co., of New York); 6. Royal Mail Steam Packet Co.; 7. Cuban Line (E. Bigland & Co.). Shipments are allowed via Magellan by the Pacific Steam Navigation Co., the Kosmos Line, Lamport and Holt, the Roland Line, and the Gulf Line, or via Panama by steamers of the Conference Lines.

Conditions: Rebate, 10 per cent. Periods, six months' account and six months' deferment. 3. The trade in coffee from west coast of Mexico and Central America via Tehuantepec to Europe.

Personnel: 1. Royal Mail Steam Packet Co.; 2. Cie. Gle. Transatlantique, of Paris; 3. Hamburg-Amerika Linie, of Hamburg; 4. Leyland Line (International Mercantile Marine Co., of New York); 5. Harrison Line, of Liverpool; 6. Cia. Trasatlantica de Barcelona; 7. Cuban Line (E. Bigland & Co.). Shipments by the Kosmos Line via Magellan or via the Panama route and steamers of the Conference Lines do not invalidate claim to rebate.

Conditions: Rebate, 10 per cent. Periods, 12 months' account and 6 months' deferment.

(c) Islands section: The trade from the United Kingdom, Norway, Sweden, Denmark, Germany, Holland, Belgium, France, Spain, and Italy to ports in the Windward and Leeward Islands, West Indies (including St. Thomas and eastward thereof), and in the Guianas.

Personnel: 1. Royal Mail Steam Packet Co.; 2. Cie. Gle. Transatlantique, of Paris; 3. Hamburg-Amerika Linie, of Hamburg; 4. Leyland Line (International Mercantile Marine Co., of New York); 5. Harrison Line, of Liverpool; 6. La Veloce Navigazione Italiana a Vapore; 7. Cia. Trasatlantica de Barcelona; 8. Koninklijke West-Indische Maatschappij, of Rotterdam; 9. Det Ostasiatiske Kompagni, of Copenhagen; 10. Scrutton Sons & Co., of London; 11. Prentice, Service & Henderson, of Glasgow; 12. Booker Bros., McConnell & Co. (Ltd.), of Liverpool.

Conditions: Rebate, 10 per cent. Periods, 6 months' account and 12 months' deferment.

d) Cuban section: The trade from Antwerp and ports north and east thereof to Cuba.

Personnel: 1. Royal Mail Steam Packet Co.; 2. Noddeutscher Lloyd, of Bremen; 3. Cie. Gle. Transatlantique, of Paris; 4. Hamburg-Amerika Linie, of Hamburg; 5. Cuban Line (Ernest Bigland & Co.).

Shipments are allowed via New York by the Ward Line and the Munson Line, or via Liverpool by the steamers of—1. Larrinaga & Co.; 2. J. Glynn & Son; 3. Serra Steamship Co.; 4. G. H. Fletcher & Co.

Conditions: Rebate, 10 per cent. Periods, six months' account and six months' deferment.

#### WEST COAST OF SOUTH AMERICA CONFERENCE (VIA MAGELLAN).

Area: The trade by steamers from the United Kingdom or the Continent between Hamburg and Bordeaux (both inclusive) to the Straits of Magellan and the west coast of South America, as far north as Guayaquil.

Personnel: 1. Messrs. Lamport and Holt; 2. Pacific Steam Navigation Co.; 3. Gulf Line (Nautilus Steam Shipping Co.); 4. Kosmos Line, of Hamburg; 5. Roland Line, of Hamburg. The Roland and Kosmos Lines have exclusive right to carry from ports in Germany, Holland, and Belgium, via Magellan, to Chile and Peru. The Kosmos Line, in addition, has exclusive right to carry from continental ports via Magellan to Ecuador and Central America. Shipments are allowed via Panama or via British ports by the Royal Mail Steam Packet Co., Frederick Leyland & Co. (1900), (Ltd.), the Harrison Line, the Hamburg-America Line, the Compagnie Generale Transatlantique, La Veloce Navigazione Italiana a Vapore, and the Compani Trasatlantica.

Conditions: Amount of rebate, 10 per cent. Periods, six months for account and six months for deferment. Claim to be signed by merchant resident in Europe and by forwarding agent, and must be presented within three months from date on which payments become due.

#### SAILING VESSELS CONFERENCE (VIA MAGELLAN).

Area: The trade from German ports and continental ports as far south as Antwerp to west coast ports.

Personnel: 1. Laeisz Line, of Hamburg; 2. Eugen Cellier Line; 3. Rob. M. Sloman Line, of Hamburg. Laeisz Line alone allowed to carry to Valparaiso, but claim for rebates not invalidated by shipments by Kosmos and Hamburg-American lines to ports on the west coast.

Conditions: Deferred rebate system with usual conditions in force in 1905. Conference did not apply to shipments via Panama.

#### TRINIDAD TO NEW YORK CONFERENCE.

Personnel: 1. Royal Mail Steam Packet Co. 2. Trinidad Shipping & Trading Co. 3. Royal Dutch West India Mail Co., of Rotterdam.

Conditions: Amount of rebate, 10 per cent on cocoa shipments. Periods, six months for account and six months for deferment.

#### CANADIAN CONFERENCE.

(1) Area: The trade from Glasgow to points in Quebec, Ontario, Nova Scotia, and New Brunswick by steamers to Boston, Portland, Halifax, Nova Scotia, St. John, New Brunswick, and the St. Lawrence.

Personnel: 1. Allan Line, of Glasgow. 2. Donaldson Line (Donaldson Bros.). Shipments of box and bale goods are allowed via New York by the Allan or Anchor lines to points in Quebec and Ontario.

Conditions: A rebate of half the primage, refunded at the end of the direct season.

(2) Area: The trade from Bristol, London, Manchester, and Liverpool to the Provinces of Quebec and Ontario.

Personnel: 1. Allan Line, of Glasgow. 2. Dominion Line (International Mercantile Marine Co., of New York). 3. Elder, Dempster & Co.

Conditions: Amount of rebate, 10 per cent. Periods, six months for account and six months for deferment. Claim to be sent in within three months of date when payment due.

(3) Area: The trade from the United Kingdom to ports on the west coast of Canada and in Puget Sound.

Personnel: 1. Alfred Holt & Co., of Liverpool. 2. Balfour, Williamson & Co. (sailing vessels). Shipments are allowed to the east coast of America, and thence overland by rail.



## HOUSE JOINT RESOLUTION 230.

Conditions: Amount of rebate, 10 per cent. Periods, six months for account, three months for deferment. Claims to be presented within three months of date when payment is due.

## NEWFOUNDLAND CONFERENCE.

Area: The trade from Glasgow and Liverpool to St. John.

Personnel: 1. Allan Line (from Glasgow and Liverpool). 2. Furness Line (from Liverpool). 3. Furness Line (from London). 4. Allan Line (from London).

Conditions: Amount of rebate, 10 per cent. Periods, six months for account and six months for deferment. Claim to be made within three months of date when payment falls due.

## CANARY ISLANDS CONFERENCE.

Area: The trade to and from Liverpool from and to the Canary Islands.

Personnel: 1. The British & African Steam Navigation Co. (1900), (Ltd.) (Elder, Dempster & Co.). 2. African Steamship Co. (Elder, Dempster & Co.).

Conditions: Amount of rebate, 10 per cent. Periods, three month for account and three months for deferment. Claim to be presented within six months of date of shipment.

## EGYPTIAN CONFERENCE.

Area: The trade from the Clyde to Alexandria.

Personnel: 1. John Bruce & Co. (Mossgield Steamship Co., Ltd.). 2. Ellerman Line. 3. Moss Line (James Moss & Co.). 4. Crawford, Ruff & Co.

Conditions: Amount of rebate, 10 per cent. Periods, six months for account and six months for deferment. Claim to be presented within three months of date on which payment falls due.

## PERSIAN GULF CONFERENCE.

Area: The trade from the United Kingdom and the Continent to Muscat, Bunder Abbas, and ports of the Persian Gulf.

Personnel: Bucknall Line (Sir J. Ellerman). 2. Frank C. Strick & Co. (Ltd.). 3. Hall and City Lines (Ellerman Line). 4. Clan Line (Cayser, Irvine & Co.). 5. Anchor Line, of Glasgow.

Conditions: Amounts of rebate, 10 per cent. Periods, 6 months for account and 6 months for deferment. Claim to be presented within 12 months of date of shipment.

## GLASGOW TO MARSEILLE, ETC.

Area: The trade from Glasgow to Marseille, Genoa, Leghorn, Naples, Catania, Messina, and Palermo.

Personnel: John Bruce & Co. (Mossgiel Steamship Co., Ltd.).

Conditions: Amount of rebate, 10 per cent. Periods, six months for account and six months for deferment.

## LONDON TO MOMBASA AND ZANZIBAR.

Personnel: British-India Steam Navigation Co.

Conditions: Amount of rebate, 10 per cent. Periods, four months for account and four months for deferment.

## UNITED KINGDOM TO JEDDAH.

Personnel: Ocean Steamship Co. (Alfred Holt & Co.).

Condition: Amount of rebate, 10 per cent. Periods, six months for account and six months for deferment.

## UNITED KINGDOM AND CONTINENT TO MARMAGOA CONFERENCE.

Personnel: 1. Ellerman Lines (Hall & City). 2. Frank C. Strick & Co. (Ltd.).

Conditions: Amount of rebate, 10 per cent. Periods, six months for account and six months for deferment.

## GIBRALTAR AND MOROCCO CONFERENCE.

Area: The trade from the Elbe and Antwerp to Gibraltar and Morocco.

Personnel: The Oldenburg-Portugiesische Dampfschiffs-Rhederei Aktien-Gesellschaft, of Hamburg. Shipments are allowed to Tangiers by the ships of R. M. Sloman, jr., of Hamburg.

Conditions: Amount of rebate, 10 per cent. Periods, six months for account and six months for deferment.

## LONDON TO MOROCCO.

Personnel: Royal Mail Steam Packet Co.

Conditions: Amount of rebate, 10 per cent. Periods, six months for account and six months for deferment.

NOTE.—References to other conferences and rebate systems will be found in the Reports from His Majesty's Representatives Abroad (Appendixes, Part III, Austria-Hungary, p. 209; Belgium, p. 210; France, p. 211; Germany, p. 215; Greece, p. 220; Japan, p. 221; Netherlands, p. 222; Norway, p. 223; Spain, p. 226; United States, p. 227.

*Exhibit B.*

[Extract from the Royal Commission on Shipping Rings, volume 2, page 227-228.]

## UNITED STATES OF AMERICA.

## 1. Dispatch from His Majesty's ambassador to Secretary of State.

[Inclosure to foreign office letter, No. 15584, of May 17, 1907.]

WASHINGTON, May 3, 1907.

SIR: With reference to your commercial circular of January 31 last, requesting information as to shipping rings and conferences in the United States, I have the honor to transmit to you herewith copies of dispatches on the subject from His Majesty's consular officers at New York and at Portland, Oreg. The others of His Majesty's consular officers who were asked for reports either stated that there were no rings or conferences or were unable to furnish any valuable information on the subject.

I have the honor to be, with the highest respect, sir,  
Your most obedient, humble servant,

JAMES BRYCE.

[Inclosure No. 1.]

Dispatch from His Majesty's consular officer at New York to His Majesty's ambassador at Washington.

No. 36 Commercial.]

NEW YORK, April 18, 1907.

SIR: In accordance with the directions contained in Mr. Howard's dispatch, No. 9, of February 13, I have the honor to forward such information as I have been able to procure respecting the existence and operation of shipping rings or conferences in this consular district.

I regret that owing to disinclination on the part of both shipping companies and individual shippers to afford the information required it has been found impossible to obtain more than the mere outlines of the exact transactions.

The unwillingness above alluded to is no doubt owing to the fact that in every instance rebates have been offered by the conferences and accepted by the shippers, and constitute business secrets which they are anxious to conceal. Another factor in the difficulty is that should there be any advantage accruing to American trade by such arrangements the persons interested will give no information in the matter.

That shipping rings or conferences exist is an open secret, and the following list reveals the fact that their operations affect all the principal foreign-trade routes from this port.

The well-known conference lines are:

1. Australia and New Zealand, composed of the Bucknall Line, Federal Steam Navigation Co., Houlder Bros. & Co., Tyser Line, White Star Line via Liverpool for Australia, Atlantic Transport Line via London for New Zealand.

There is a nominal opposition to this ring by the United States and Australia Steamship Co., which is a combination of four or five of the large Australian commission houses, such as Sir Roderick Cameron and H. W. Peabody & Co., who charter vessels, generally British, both steam and sail.

2. *South Africa*.—The steamship companies in this combination are the Union Castle Line, the American & African Steamship Co., the Union Clan Line, the Houston Line, the Prince Line, and the Hansa Line. There appears to be no competition on this route.

3. *China, Japan, and Manila*.—The Lancashire Shipping Co., the British & Foreign Steamship Co., the New York & Oriental Steamship Co., the Hamburg-American Packet Co., the Indra Line, the Ocean Navigation Co., the Prince Line, and chartered tonnage engaged by Messrs. Shewan, Tomes & Co.

These lines form a close corporation and have no competitors except from the Standard Oil Co., who, however, only ship case or bulk oil in their own vessels.

4. *River Plate*.—The conference lines comprise Lamport & Holt Line, Houston Line, Bucknall Line, and Prince Line.

There is considerable competition in this line, and the following lines are the most prominent outsiders: Lancashire Shipping Co., British & Foreign Steamship Co., Larrinaga Steamship Co., and there is also a fair amount of chartered tonnage.

5. *Brazil*.—In this trade the Sloman Line, the Lamport & Holt Line, the Prince Line, and the Booth Line have formed a combination, and their principal opponent is the newly formed Lloyd Brasileiro Line. There is also a small amount of independent chartered tonnage.

These rings or conferences have been in existence off and on for from 7 to 10 years, and have varied in their component companies from time to time. In several instances former competitors have been admitted in order that the freight rates may be maintained at the figures which the combination endeavored to enforce.

In respect to the granting of rebates, there is little doubt that in each trade these have been or are still being granted. They are generally deferred rebates payable either three or six months after the close of each individual contract, though in some instances they are payable monthly. The general system appears to be a rebate of 10 per cent of the freight payable at six months after the close of the period contracted for. This extended period allows the combination to investigate and ascertain whether the shippers have kept to their bargain of shipping by the vessels of the conference lines, or have violated the agreement by shipping at reduced rates by competing lines, often in the names of subordinates or clerks in the shipper's firm.

In most instances both the shipowners and shippers deny that any rebates are granted, and though technically correct, such reimbursements can generally be found concealed under such heads as "advertising" or "brokerage."

The object of these rebates is no doubt to stifle competition, as it would be difficult, if not impossible, for any independent line to give service equal to the frequent sailing of the ring and quote rates at least 10 per cent below the conference rates or give the equivalent rebate.

Inquiries which have been made tend to show that though discrimination in rates is granted, the system does not appear to be in force to any great extent, excepting in the case of gigantic corporations such as the Standard Oil Co. and the United States Steel Corporation, both of whom are in a position to dictate their own terms on the threat of giving their business to competing companies or of chartering their own tonnage. It is possible and even probable that other large shippers are occasionally favored in this manner, but all such transactions are disguised under some other name.

It would seem that these combinations which now extend around the world are distinctly in restraint of trade, but as yet no case has been definitely decided by the courts of this country where any decision has been rendered as to the status of foreign vessels or how they can be treated as common carriers in such a manner as to be amenable to the provisions of the interstate-commerce law or the Sherman and Elkins Acts.

Two objections to the system can be urged from the shippers' point of view. First, the sudden advance by the conference lines without notice of the freight rates whereby the shipper who has made his contract some months or perhaps years previously, based on the existing freight rates, suddenly finds himself facing a loss instead of a profit on his merchandise. Where such conference is not in existence, such sudden advances in rates could not be maintained; and

fixed rates are certainly of value, it is better for the shipper to have

varying rates from competing lines where he could engage his cargo space as best suited to his own calculations.

Secondly, the arbitrary stand which such combinations take as to their responsibility under a bill of lading. These responsibilities are no doubt fixed by law, but the law also provides that anything written on or stamped with a rubber stamp on a bill of lading and accepted by the shipper becomes a part of the contract; and bills of lading issued by the conferences and rings are so altered by arbitrary clauses that the respective share of the responsibility fixed by the law on the merchant, banker, underwriter, and carrier practically is inoperative, so far as the latter is concerned.

As regards the effects of such combinations in shipping circles on British trade, very little appears to be known here. One gentleman, a large shipper, admitted that the action of the White Star and Atlantic Transport Companies, in accepting through rates to Australia and New Zealand at prevailing prices, enabled him to ship American goods at a much smaller cost through Liverpool or London than if he had chartered his own tonnage, and infinitely less than the cost to the British shipper from either of those ports.

The rebates to Australia and New Zealand and to South African ports are practically in abeyance owing to lawsuits which have lately been settled or which are now pending.

Many of the steamship companies who compose the rings on those trade routes are taking the stand that the value of the monopoly is not worth the risk of the publicity of lawsuits or prosecutions to which they might be liable if the Federal Government decides to test the applicability of the existing laws to these combinations.

The case of Thomsen and others *v.* The Union Castle Mail Steamship and others reported in Sir P. Sanderson's No. 3 Commercial of January 8 last, was watched with great interest by the mercantile community, and the dismissal of the action on a technical point is regarded with disappointment. Notice of appeal has been given, but the case is not likely to be tried for some years.

I have, etc.,

C. CLIVE BAYLEY.

[Inclosure No. 2.]

Dispatch from His Majesty's consular officer at Portland to His Majesty's ambassador at Washington.

PORTLAND, OREG., March 7, 1907.

SIR: With reference to Mr. Howard's dispatch of the 13th ultimo, I have the honor to report:

First. That a conference has existed for about four years in the trans-Pacific trade, composed of the following steamship companies: Portland & Asiatic Steamship Co., Boston Steamship Co., Boston Towboat Co., Nippon Yusen Kaisha, Canadian Pacific Steamship Co., Great Northern Steamship Co., Ocean Steamship Co., China Mutual Steam Navigation Co., Pacific Mail Steamship Co., and Oriental & Occidental Steamship Co., the object of which is to fix rates from and to the Far East.

That for two years past an agreement has existed between the members of the International Sailing Ship Owners' Society, which embraces about 90 per cent of the foreign sailing tonnage of Great Britain, Germany, and France, the object of which is to fix minimum rates on wheat charters from ports on the Pacific coast. I am unable to give the names of the shipping companies in this agreement or conference.

Second. As far as known, no rebates, discriminations, nor preferences are granted in the trans-Pacific or wheat trades, but the Ocean Steamship Co. and the China Mutual Co. have granted deferred rebates for some years past in their trade between British Columbia, by the Suez route, and United Kingdom and continent of Europe. This rebate is believed to be 10 per cent and is paid every six months. The object and effect of it is to hold the trade against tramp steamers or others, no rebate being paid if business is divided. Shipping conferences and preferences in this district are not illegal and are not registered. They have a partial effect in keeping what is called tramp steamers out of the trade of regular lines and prevent ruinous cutting of rates between the several lines.

The sailing ship owners' agreement has had the effect of keeping rates at a reasonable figure, but some trade has been lost to French and British owners who were not parties to it.

I have, etc.,

JAMES LAIDLAW.

2. Dispatch from acting consul general to His Majesty's ambassador at Washington.

[Inclosure to foreign office dispatch, No. 30224, of September 19, 1907.]

BRITISH CONSULATE GENERAL,  
New York, August 29, 1907.

SIR: Referring to my dispatch, No. 36, commercial, of April 18 last, respecting shipping rings and conferences in this consular district, I have the honor to report that I understand that the River Plate and Brazilian conferences, referred to in my dispatch, have now been abandoned.

In the early part of the year the Sloman Line to Brazil was acquired by the Hamburg-American Line, which withdrew the line from the agreement hitherto existing. The competition of this line and the Lloyd Brasileiro, which already pursued an independent policy, made it impracticable for the lines remaining in the ring to enforce their conditions, and the agreement is now in abeyance or disbanded. It is stated that the breaking up of the conference will not subject shippers who are entitled to rebates on business already carried on to any loss in respect of those rebates.

With regard to the River Plate conference, the disruption is ascribed to the competition of outside steamers, especially the Barber Line, which has for some time been quoting net rates and receiving freight without outside conditions. In the face of this competition the maintenance of the conference conditions became so difficult that the Norton and Houston lines have been led to substitute net rates for the previous gross charge, with a rebate of 10 per cent allowed to shippers who did not ship by nonconference steamers during six months or more. On the 19th instant Messrs. Norton & Sons issued a circular to shippers, stating that they were instructed by Messrs. Bucknall Nephews, of London, to advise all shippers to the Uruguayan, Argentine, and Paraguayan Republics that all bonus circulars heretofore issued to shippers by the Norton Line are canceled and withdrawn, and that no bonuses will be paid on shipments hereafter engaged for future sailings on the vessels for this line.

Messrs. Busk & Jevons, who represent the Prince and Lamport & Holt lines, state that the Plate agreement has been broken up by the above-mentioned withdrawals. They have made no formal announcement to shippers, but as they represent the only two lines in the conference the entire conference is generally regarded as having expired.

I have the honor to be, with the greatest respect, sir,

Your excellency's most obedient, humble servant,

C. CLIVE BAYLEY,  
*Acting Consul General.*

#### *Exhibit C.*

[Extract report of the "Royal Commission on Shipping Rings," vol. 2, p. 107.]

#### THE SAILING-SHIP OWNERS' INTERNATIONAL UNION—RULES.

1. The association shall be called "The Sailing-ship Owners' International Union," and its headquarters shall be situated in London.

2. The only object of the union for the present shall be to fix minimum rates of freight for the principal voyages in which sailing ships engage, excepting only outward voyages from the United Kingdom or Continent of Europe, for which no rates of freight shall be arranged, each vessel being left free to make the best rates she can.

3. The business of the union shall be managed by a committee consisting of 7 representatives from Great Britain, 4 from France, and 4 from Germany, who shall meet where and as often as they think desirable in the general interest, with leave in case of necessity to each member of the committee to send a substitute of his own nationality who is a member of the union. This committee shall remain in office until the 31st of December in each year. Prior to that time the representative or representatives on the committee of each group of members of the union—British, French, German, or any other nationality—shall call a general meeting of the members of that group, at which the representative or representatives shall be elected to represent that group on the committee for 12 months from the ensuing 1st of January, due intimation of the election to be sent to the secretary of the international committee.

4. This committee shall from time to time fix the minimum rates of freight from the various loading ports as they judge best in their absolute discretion, and they shall have power to fix different minimum freights for ships of different sizes. Intimation of the rates of freight fixed by this committee shall, as required from time to time, be given to the members of the union per circular letter. This letter shall name a date for any specified rate coming into force, and this date shall apply to the charter party, or loading agreement, and not to the actual loading date. Not less than five days shall elapse between the dispatch of any registered letter from the London office of the union and any rate of freight which it prescribes becoming operative.

5. Such owners as agree to join this union shall bind themselves not to accept for the ships which they control less than the minimum rate appointed by the above-mentioned international committee for any voyage for which the committee shall have fixed a rate of freight, and for all such voyages the various owners are prohibited from chartering except on the recognized terms of charter for the particular trade without any extra commissions, rebates, or back letters. Owners, however, shall be allowed to reimburse the charterers the net cost of any extra insurance the latter may have to pay on the cargo owing to the age or special condition of the ship.

6. Should the minimum rate of freight not be obtainable for any vessel, she shall be laid up until such a rate can be got, or in the option of the owners she has liberty to leave the port in ballast.

7. The committee shall have power to call upon each member of the union to disclose on oath the rate of freight and conditions of any charter.

8. In the event of any member of the union committing any breach of his undertaking or of the rules of the union, he shall pay liquidated damages to the committee of 5s. per ton on the dead weight capacity of the ship in connection with which the breach has been committed, but should such breach be committed unwittingly and through no fault of the member the committee have discretion to modify the damages.

9. Only owners of ships of 1,000 tons net register and upward shall be eligible to be enrolled in this union.

10. The various owners joining this union shall remain members thereof from year to year, but may terminate their membership on 31st of December in any year on giving two months' written notice (say, on or before 31st of October of that year) to the committee.

11. To provide for the expenses of the union, each owner enrolled shall contribute, in advance, £1 sterling per annum for each of his vessels of 1,000 tons net register and upward.

#### *Exhibit D.*

Form of rebate given by the various shipping concerns. Exhibit 66 printed below is a copy of agreement between Mr. Purcell, of New York, and the Lamport & Holt Line, running between this country and South America.

Extracts are from the hearings before select committee of the House of Representatives to investigate certain charges under House resolution 543, page 672:

WASHINGTON, D. C.,  
May 23, 1910—2 o'clock p. m.

The committee met at 2 o'clock p. m.

Present, Messrs. Olcott (chairman), Longworth, Hawley, and Garrett.

Also Hon. Halvor Steenerson and Mr. Jackson H. Ralston, counsel for Mr. Steenerson and others.

Also Mr. John A. Penton and Mr. A. S. Worthington, counsel for the American Merchant Marine League.

The CHAIRMAN. I now present the form of contract mentioned in the testimony of Mr. Purcell, relative to the rebate agreement with the 5 steamship lines mentioned by him. By consent of the committee the contract is to be copied into the record and the original to be returned to Mr. Purcell.

(Said contract is marked "Exhibit No. 66," and is in the words and figures following:)

EXHIBIT No. 66.

*Memorandum of agreement between Messrs. ——— (hereinafter called the "Shippers") and the Royal Mail Steam Packet Co., Hamburg Sud-amerikanische Dampfschiffahrts-Gesellschaft, Hamburg-Amerika Linie, Norddeutscher Lloyd, Lamport & Holt, Prince Line (Ltd.) (hereinafter called the "Lines"), whereby it is agreed as follows:*

1. That subject to the conditions hereinafter expressed the lines will pay a rebate of 10 per cent on the freight on coffee shipped from Rio de Janeiro and Victoria by their respective steamers to the ports of Antwerp, Amsterdam, Rotterdam, Copenhagen, and the rivers Weser and Elbe, and to ports in the United States of America, during the year beginning 1st September, 1909, and ending 31st August, 1910, and thereafter year by year until further notice.

The rebate to be paid to the shippers will be computed every 12 months, say, up to 31st August in each year, and be payable 3 months afterwards, but only if they have confined their shipments to Antwerp, Amsterdam, Rotterdam, Copenhagen, and the rivers Weser and Elbe and Copenhagen, and to ports in the United States, to the lines.

No rebate will be paid on sample lots nor on additional freight charged for delivery at post-terminal destinations of goods shipped on through or optional bills of lading.

A statement of rebate claim must be made on a form as annexed and presented within three months after the 31st August to the agents of the line which has carried the shipments in respect of which the rebate is claimed.

2. That the freight to Europe shall not be more than 5 shillings sterling and 5 per cent primage per ton in excess of that at which coffee can be shipped and actually received at the time in question by outside steamers, with a minimum rate of 25 shillings and 5 per cent primage.

3. That the rate to the United States shall not be more than 10 cents and 5 per cent primage per bag in excess of that at which coffee can be shipped and actually received at the time in question by outside steamers, with a minimum rate of 30 cents and 5 per cent primage.

4. That no exporter shall be allowed more favorable conditions than another.

5. That 14 days' notice will be given of any increase in the rate of freight, and the tonnage required by the shippers will be supplied at the lower rate at the time notice is given to the extent of tonnage available by the ships of the lines loading within 14 days from the date of notice.

6. In case the lines fail to supply the available tonnage required at the above rates of freight by their own or chartered steamers within a reasonable time, say 14 days from the date of request, or if their current rate be not in accordance with what is stipulated in clauses 2 and 3 of this agreement, the shipper shall be at liberty to charter or ship in an outside vessel or vessels, or a part or parts thereof, without prejudice to their right to rebate under this agreement. In case of the shippers deciding to charter outside tonnage upon the grounds that the rate of freight charged by the lines be at any particular time more than 5 shillings and 5 per cent per ton and 10 cents and 5 per cent per bag, respectively, in excess of the rates of freight at which coffee could be shipped in quantity at the time, question by outside steamers, then the shippers shall produce to the agents of the lines in Brazil, at the time of such outside chartering, evidence as to the latter rate of freight. It is understood and agreed that the shippers will not offer, directly or indirectly, any chartered tonnage of theirs to other shippers at a lower rate of freight than their own charter rate.

7. Until further notice any shipments by steamers of the National Brazilian Line, under the Brazilian flag, to the United States, and of the Koninklijke Hollandsche Lloyd to Amsterdam, at not under the rates of freight and conditions of the lines will not prejudice the shippers' claims to rebate.

8. All disputes arising upon this agreement shall be referred to arbitration in London under the terms of the arbitration act 1889. In any such arbitration all protests, certificates of brokers, surveys, and other mercantile documents shall be admitted in evidence for what they worth.

Dated ———, 1909.

CLAIM FOR REBATE.

RIO DE JANEIRO, VICTORIA, 31st August, 1910.

Messrs. ———

beg to give below a list of the shipments of coffee we have made by the  
rs of your line from 1st September, 1909, until 31st August, 1910, on the

freight on which we are entitled to a rebate of — per cent, in accordance with the memorandum of agreement signed by us.

We hereby declare that during the period named above we have not been interested, directly or indirectly, either as principals or agents, in other shipments of coffee from Rio Janeiro or Victoria to the ports of Antwerp, Amsterdam, Rotterdam, Copenhagen, and the rivers Weser and Elbe, or to ports in the United States of America, by any steamers other than those of the Royal Mail Steam Packet Co., the Hamburg Sudamerikanische Dampfschiffahrts Gesellschaft, the Hamburg-Amerika Linie, the Norddeutscher Lloyd, Messrs. Lamport & Holt, or the Prince Line (Ltd.).

(Signature must be that of the firm or of a person duly authorized to sign for the firm.)

(Signature of shippers:) \_\_\_\_\_,

(Address:) \_\_\_\_\_.

This claim will be valid only if presented within three months from this date. N. B.—These particulars must accord with the bills of lading of the shipments.

Date of shipment.	Steamer.	Destination.	Marks.	Freight, including primage.	Per cent rebate.

Shipments at not under conference rates of freight and conditions, to the United States of America by steamers of the National Brazilian Line, under the Brazilian flag, and to Amsterdam by steamers of the Koninklijke Hollandsche Lloyd, will not invalidate claims for rebate.

#### *Exhibit E.*

#### REBATE CONTRACT.

[Extract from the Royal Commission on Shipping Rings, vol. 2, p. 120.]

#### RIVER PLATE STEAM LINES (OUTWARD)—NOTICE TO SHIPPERS.

Shippers to all ports of the Argentine, Uruguayan, and Paraguayan Republics are hereby informed that until further notice each of the undersigned steamship lines will pay them a rebate of 10 per cent on the net freight (i. e., freight without primage) on all goods shipped by their line from 1st October, 1902, except on such as may have been carried under special agreement. This rebate will be allowed from 1st July, 1902, on shipments made from Havre and Dunkirk by steamers of the Chargeurs Reunis.

In the case of goods taken at a through rate from European ports or places, the rebate will be calculated on such through rates. No rebate will be allowed on the extra freight charged to cover delivery at ports or places beyond the steamer's port of discharge, Rosario excepted, and no rebate will be allowed on parcel money.

This rebate is, however, subject to the following conditions: The rebate will be computed every six months, say up to the 30th June and 31st December, and be payable six months afterwards, but only to those shippers who have up to such due date seen fit to confine their shipments (full cargoes of coals excepted) to the undersigned lines, and have been in no way interested, directly or indirectly, either as principals or agents, in shipments by any other steamer from the United Kingdom or from the Continent between Havre and Hamburg (both inclusive) to any port or ports of the Argentine, Uruguayan, and Paraguayan Republics. In the event of these conditions not being complied with, those shippers or agents who have not shipped exclusively by the steamers of the



undersigned lines will, in addition to the loss of rebate, be subject to an increased rate of 10s. per ton over tariff rates on all shipments they may desire to effect by the said lines.

A statement of claim for such rebate to be made on a form as annexed, within three months of the date upon which payment falls due, to the company or line of steamers which shall have carried the goods in respect of which the rebate is claimed.

In the case of goods shipped by a forwarding agent, his signature as well as that of his principal must be affixed to the aforesaid declaration. No rebate may be claimed where the principal does not reside in Europe, or where the forwarding agent has not conformed to the above conditions for all his principals.

Lamport & Holt, R. P. Houston & Co., David MacIver & Co., H. & W. Nelson, Royal Mail Steam Packet Company, Houlder Brothers & Co. (Limited); Prince Line (Limited); Allen Line Steamship Company (Limited); Norddeutscher Lloyd, Hansa Line, Hamburg-South American Steamship Company, Hamburg-American Line, Chargeurs Reunis.

Liverpool, London, Antwerp, Bremen, Hamburg, and Paris.  
1st October, 1902.

#### *Exhibit F.*

[Extracts from the Royal Commission on Shipping Rings, volume 2, letters of Mr. A. Stuart, register of imports and exports, Singapore. Page 185.]

#### THE NEW YORK FREIGHTS CONFERENCE.

76. The shipowners, who had so successfully instituted the Straits Homeward Conference, were for long anxious to see the markets of the United States placed in a less advantageous position, probably because the fair and reasonable freights charged to American ports invited comparison, and as has been stated, a limit was set to rates, as the danger of goods being shipped to America and thence to European markets was to be feared.

77. Moreover, the Standard Oil Co., at first chartering steamers to convey their oil to eastern markets and afterwards becoming possessed of their own fleet, was a standing menace to the conference, and whispers were heard of the intention of this company to take return cargo to European ports, en route for America.

78. At any rate, finally a combination was effected (although it is understood the Standard Oil Co. was not at first favorable to this) on the part of steamship owners trading between America and far eastern ports.

79. The ship agents, as far as Singapore is concerned, were already supporters of the Straits Homeward Conference, and one of their number is understood to have proceeded to New York to secure the support of the Standard Oil Co.

80. The steamship lines represented are as follows: Indra, Shewan Tomes & Co., Barber, Mogul, Prince, Dodwell's steamers, Hamburg-American, Rhe derel Union A Gesellschaft, American and Oriental, United States, China and Japan, and Standard Oil Co.; the latter company, however, fly the British flag.

81. Operations came into effect in May, 1905, and on 24th August rates were raised to the level of London, except on tin, rattans, and jelotong.

82. The deferred rebate system was established, 10 per cent being given to shippers who confined their shipments to conference vessels; but there can be no doubt that the same vicious system of secret rebates to favored shippers is also in vogue, and I know of a foreign house of secondary standing to which for some time an additional 5 per cent has been granted.

83. It would, however, require a commission to extract fuller information, as those enjoying this privilege are naturally not communicative on the subject.

84. A committee sits in Singapore weekly, for which Messrs. Paterson, Simons & Co. act as secretaries, but it is stated all orders as to change of rates are from home, though no doubt the local committee have considerable say in the matter.

85. The following rates were in operation prior to the establishment of this conference:

Date.	Tin.	General cargo (per ton).		
	<i>Shillings.</i>	<i>s. d.</i>	<i>s. d.</i>	
January, 1903.....	15	17 6	to 20 0	
July, 1903.....	15	20 6	to 22 6	
December, 1903.....	15	12 6	to 15 0	
July, 1904.....	15		25 0	
December, 1904.....	20		20 0	
January, 1905.....	15		25 0	
May, 1905.....	15		25 0	
June, 1905.....	15		25 0	
July, 1905.....	15		25 0	
August, 1905.....	15		25 0	

86. On August 24 rates were raised to the home level, viz:

Tin, 20s.; general cargo, 27s. 6d. to 75s., and since then freights, with certain exceptions, where they are generally lower, corresponded with European rates.

87. The secretary of this conference at home is Mr. Dermer, care Messrs. Dodwell & Co., Exchange Chamber, 24, St. Mary Axe, E. C.

#### *Exhibit G.*

[Extracts from pages 210 and 211, Royal Commission on Shipping Rings.]

#### BRAZIL.

*Dispatch from His Majesty's minister to secretary of state.*

[Inclosure to foreign office dispatch No. 10758, of 2d April, 1908.]

THE BRITISH LEGATION,  
*Petropolis, March 9, 1908.*

SIR: In accordance with the instructions contained in your dispatch, circular commercial (2659), dated the 31st January, 1907, and received on January 27 last, I have the honor to transmit herewith a report on the operation of shipping rings and conferences as affecting the carrying trade to and from Brazil.

I have, etc.,

(For His Majesty's minister)

MILNE CHEETHAM.

#### SHIPPING RINGS OR CONFERENCES.

Practically all the steamship lines to Brazil form part of shipping rings or conferences, and as the chief of these are British companies it may be concluded that the operations undertaken by such conferences are not unfavorable to British trade. All the British, German, and French lines are members of the passenger conference, and meetings are held regularly in Paris or London to fix fares and decide all questions relating to passenger traffic.

The Spanish Navegacion Transatlantica has been recently trying to carry third-class passengers to Rio for about 30 milreis (37s. 6d.) less than those companies of the passenger ring who touch in Spain, i. e., The Royal Mail, Messageries Maritimes, Italian *La Veloce*, North German Lloyd, Pacific Steam Navigation Co., Hamburg America, Hamburg South America.

The ring has, however, made arrangements to carry at the same rate whenever a Spanish ship is advertised to sail, and as this price means a loss the struggle can not be maintained long.

There are several cargo rings, rebates being granted to merchants who confine their shipments to vessels of the companies forming the respective rings.

There is no legislation regulating such conferences in Brazil; all merchants are content to sign agreements with the shipping rings, and thereby secure the rebates; as a result it is an exceedingly difficult matter for outside lines to

secure any of the traffic now held by the combined lines, and the lines connected having agreements among themselves are enabled in normal times to maintain freights at a more or less profitable figure.

These agreements, though modified more or less from time to time, came into force for the most part about the year 1903.

The following are the principal combinations, the chief freight from Brazil being, of course, coffee: Lamport and Holt, Prince Line, Sloman Line (sold to German lines) to New York and New Orleans.

Rebates according to quantity shipped on a sliding scale of 5 per cent to 25 per cent. Present rate per bag of coffee, 10 cents and 5 per cent primage; basis, 25 cents.

This ring has been until recently engaged in a rate war with the German lines forming the next combination; the latter, having purchased the Sloman Line, endeavored to secure a larger share of the United States traffic than was granted to that line under their old agreement with Lamport and Holt, and the Prince Line putting on their own boats to the New York traffic, which they had agreed not to do in consideration of their own monopoly of Antwerp, Hamburg, Bremen, and Rotterdam, being respected.

The Lamport and Holt ring retaliated by sending a ship to Antwerp, and the German lines, which are controlled by Messrs. Theodor Wille & Co., the biggest coffee merchants in the country, thereupon reduced the rates to 10 cents a bag of coffee in August, 1907.

The actual cost to load and discharge coffee for the United States is 13 cents, so that since then the freights have entailed a severe loss.

This state of affairs has at last come to an end, and the old agreement has been confirmed: North German Lloyd, Hamburg-American Line, Hamburg-South America Line, Royal Mail to Antwerp, Hamburg, Bremen, and Rotterdam grant rebates of 5 per cent; basis, 17s. 6d., and 5 per cent primage per ton of 1,000 kilos.

The basis has been much reduced, and used to be 40s.

The Royal Mail have raised theirs to 30s., finding the lower figure too unprofitable.

The Royal Mail and Chargeurs Réunis to Havre and London grant a rebate of 5 per cent; basis, 30 francs and 10 per cent primage per ton of 900 kilos.

The Italian lines—La Veloce, Italiana General, Italian Lloyds, to Genoa and Naples—grant rebates of 5 per cent; basis, 40 francs and 10 per cent primage per ton of 1,000 kilos.

The Royal Mail, Pacific Steam Navigation Co., and Messageries Maritimes to Argentina and Uruguay carry at Rs. 1,000, or 1s. 3d. a bag, and the transports Maritime to Marseille grant a rebate of 5 per cent; basis, 40 francs and 10 per cent primage a ton of 1,000 kilos.

#### FRANCE.

##### (1.)

*Dispatch from His Majesty's minister to secretary of state.*

[Inclosure to foreign office letter No. 18455, of May 30, 1908.]

(No. 156. Commercial.)

PARIS, May 27, 1908.

SIR: With reference to your dispatch No. 4 commercial (232), of the 8th of January last, I have the honor to transmit to you herewith a report containing all the information procurable with regard to the operations of shipping rings or conferences in France.

The delay which has taken place in transmitting this report has arisen from the reluctance shown by the various companies to furnish any information as to their participation in the various rings and conferences.

I have, etc.,

REGINALD LISTER.

#### MEMORANDUM ON SHIPPING RINGS AND CONFERENCES TO WHICH FRENCH SHIP-OWNERS BELONG.

Second category—International rings: Conference relative to the transport of passengers for North America.

The following companies are members: France, Cie. Génle. Transatlantique; England, Cunard Line and White Star Line; United States, American Line; Holland, Holland-America Line; Belgium, Red Star Line; Germany, Hamburg-America Line and Norddeutscher Lloyd.

*Exhibit G.*

[H. J. Res. 230, Sixty-first Congress, second session.]

In the House of Representatives, June 14, 1910, Mr. Humphrey, of Washington, introduced the following joint resolution; which was referred to the Committee on Rules and ordered to be printed.

JOINT RESOLUTION Authorizing the appointment of a committee to investigate certain foreign shipping rings, pools, combinations, and conferences, and other matters connected therewith.

Whereas 94 per cent of the entire exports and imports of the United States are now carried in foreign ships, under the flags of foreign nations who are our rivals in trade and possible enemies in war; and

Whereas all, or practically all, of these foreign ships belong to conferences, pools, or other combinations whereby freight rates are fixed by mutual agreement, so that our entire commerce is carried in ships between which there is no competition; and

Whereas these foreign ships give rebates and other special privileges and pool their earnings; and

Whereas these foreign ships carrying our trade form a complete monopoly and have entered into written agreements among themselves to drive out or destroy any line that attempts to compete with them; and

Whereas these foreign ships always discriminate against the products of this country in favor of the products of the country whose flag they fly; and

Whereas the service given by these foreign ships between this country and most foreign ports, especially between this country and South America, is grossly inadequate and grossly discriminatory against this country in favor of foreign countries; and

Whereas these foreign ships give special rates and other preferences to certain of the great trusts and combines of this country, and especially to what is known as the steel trust, to the Standard Oil Company, and to the harvester combine; and

Whereas these foreign ships dictate freight rates from and to interior points in the United States to and from different ports of the world, and also dictate the ports of the United States through which said freights shall be transported; and

Whereas Japanese ships on the Pacific Ocean have an agreement with the transcontinental railway lines of this country running to Pacific ports whereby these ships dictate the freight rates on our imports and exports passing through the Pacific ports of the United States, both on land and on sea; and

Whereas most of these foreign steamship lines have agents and representatives in this country and have in this country large interests, consisting of terminals and other valuable property; and

Whereas most of these foreign ship lines are receiving subsidies or other aid from the countries to which they belong and are owned or largely controlled by such countries, and form a part of the naval auxiliary of such countries; and

Whereas the methods and practices of the conferences, pools, and combinations formed by these foreign ships are matters of common knowledge in other countries, but general publicity of their methods and practices has never been made in the United States; and

Whereas the practices and methods of these foreign ships, Government aided and controlled, is a violation of our laws and of our commercial treaties, and injurious to our commerce in times of peace and a menace to our safety in time of war: Therefore be it

*Resolved, etc.,* That a special committee of 12 Members be appointed, 5 of whom shall be designated by the President of the Senate from the Members of that body, and 7 of whom shall be designated by the Speaker of the House of Representatives from the Members of that body, which committee is hereby empowered and directed to make a complete and thorough investigation of the methods and practices of the various lines of ships, both of the United States and of foreign countries, engaged in carrying our over-sea or foreign commerce, and especially as to the methods and practices by these lines of forming conferences, pools, or other combinations and agreements for the purpose of giving rebates, special rates, or other special privileges or preferences, and for the purposes of pooling and dividing their earnings, for the purpose of fixing freight and passenger rates, and for the purpose of preventing and destroying competition; also

investigate as to what method, if any, is used by such foreign shipping lines, combinations, and conferences to prevent the publication of their methods and practices in the United States.

And said committee shall further report whether the conduct or methods or practices of said foreign steamship lines are in contravention of our commercial treaties, and whether such methods and practices are not in violation of our laws, and what effect said methods and practices have had on the commerce of the United States.

And said committee shall report to Congress what legislation, if any, it deems advisable should be passed in relation to the matters herein set forth.

Said committee is hereby empowered to sit and act during the recess of Congress and during the session of either or both Houses of Congress, and to require the attendance of witnesses and the production of books, papers, and other documents, by subpoena or otherwise; to swear such witnesses and to take their testimony under oath, orally or in writing; to obtain documents, papers, and other information from the several departments of the Government or any bureau thereof.

Said committee is hereby authorized to employ such secretaries, experts, stenographers, messengers, and other assistants as shall be necessary to carry out the purposes for which said committee was appointed—all such employees to be paid such compensation as the said committee may deem just and reasonable, upon a certificate to be issued by the chairman of the committee.

For the purpose of its investigations, said committee is hereby authorized to pay the traveling expenses of persons summoned before it for the giving of information on matters pertaining to the subject under consideration.

The members of said committee, or any subcommittee or subcommittees thereof, may make investigations of the questions involved, in the United States and elsewhere, and shall be allowed actual and necessary expenses for the same, and the expenses of necessary employees.

Any vacancy on said committee shall be filled in the same manner as the original appointment.

And in case of disobedience to a subpoena this committee may invoke the aid of the court of appeals of the District of Columbia, or any of the circuit courts of the United States within the jurisdiction of which any inquiry may be carried on by said committee, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents under the provisions of this resolution. And the court of appeals of the District of Columbia, or any of the circuit courts of the United States within the jurisdiction of which the inquiry under this resolution is being carried on, may, in case of contumacy or refusal to obey a subpoena issued to any person under authority of this resolution, issue an order requiring such person to appear before said committee and produce books and papers, if so ordered, and give evidence touching the matter in question, and any failure to obey such order of the court may be punished by such court as a contempt thereof. The claim that any such testimony or evidence may tend to criminate the person giving such evidence shall not excuse such witness from testifying, but such evidence or testimony shall not be used against such person on the trial of any criminal proceeding.

The costs and expenses of said committee shall be paid five-twelfths from the contingent fund of the Senate and seven-twelfths from the contingent fund of the House of Representatives. Said expenses shall be paid out on the audit and order of the chairman or acting chairmap of said committee.

#### *Exhibit H.*

[H. R. 26835, Sixty-first Congress, second session.]

In the House of Representatives June 14, 1910, Mr. Humphrey of Washington introduced the following bill, which was referred to the Committee on the Merchant Marine and Fisheries and ordered to be printed:

A BILL To protect American trade and American shipping from foreign monopolies.

*Be it enacted, etc.,* That a discriminating duty of ten per centum ad valorem all be levied, collected, and paid on all goods, wares, or merchandise now on free list, and a discriminating duty of ten per centum ad valorem, in addi-

tion to the duties imposed by law, shall be levied, collected, and paid on all dutiable goods, wares, or merchandise which shall be imported in any vessel not of the United States and which belongs to or is owned or operated or controlled under or in accordance with or in pursuance of or in aid of any combination, conference, agreement, or pool for the purpose of fixing freight or passenger rates, or both of them, or for the purpose of giving rebates, preferential rates, or other discriminations to favored shippers or for the purpose of restraining or preventing competition in transportation.

SEC. 2. That any vessel not of the United States which belongs to or is in or is owned or operated or controlled under or in accordance with or in pursuance of or in aid of any combination, conference, or agreement for the purpose of giving or which gives rebates, preferential rates, or discriminations to favored shippers shall not, under penalty of the forfeiture of the vessel and cargo, carry to or from any port of the United States any goods, wares, or merchandise, except to or from the ports of the country under the laws of which said vessel is registered.

SEC. 3. That any and all clauses in existing treaties with foreign countries in contravention hereof are hereby abrogated: *Provided*, That the provisions of this act shall take effect and be in force from and after the time specified in section four of this act. The Secretary of the Treasury shall prescribe such rules and regulations as may be necessary for carrying out the provisions of this act.

SEC. 4. That the President shall have power, and it shall be his duty, to give notice, within sixty days after the passage of this act, to all foreign countries with which commercial agreements have been entered into making any provision or provisions which are in conflict with sections one and two of this act, of the intention of the United States to terminate such agreement at a time specified in said notice, which time shall in no case be longer than the period of time specified in such agreements, respectively, for notice for their termination: *Provided*, That until the expiration of the period when the notice of intention to terminate hereinbefore provided for shall have become effective, or until such date prior thereto as the high contracting parties may, by mutual consent, select, the terms of said commercial agreement shall remain in force.

SEC. 5. That the Postmaster General is hereby authorized and directed to cancel any contract for carrying the ocean mails pursuant to the act of March 3, 1891, entitled "An act to provide for ocean mail service between the United States and foreign ports and to promote commerce," on satisfactory evidence to him that any vessel performing such service is in any combination, conference, agreement, or pool for any of the purposes set forth in section one of this act.







x







